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The National Life Insurance Company

LIFE INSURANCE COMPANY

FRIDAY, FEBRUARY 17, 1933

FEB 17 1933



Our Silver Anniversary 1908—1933

In 1908, the year's best seller was John Fox Jr.'s Trail of the Lonesome Pine. Taft defeated Bryan in his third race for the presidency. The celebrated infield of the Chicago Cubs—Chance, Evers, Steinfeldt, and Tinker — captured the world's championship. Grover Cleveland died.

In 1908, the Peoria Life received its charter and began business. In these 25 years it has risen to a prominent position among the strongly established, soundly managed, progressive

companies of the country. Its growth has been largely due to its policy of thorough service:

Service to policyholders, marked by unusual liberality and promptness in every transaction, and by the extension of every advantage that will give their protection its maximum usefulness.

Service to agents which recognizes that their success determines the success of the company; which neglects no means to promote their interests, to help them make good.

Needless to say, the Peoria Life will continue to be guided by the same principles which have built its enviable reputation for service during the past 25 years.

Peoria Life Insurance Company
PEORIA, ILLINOIS

Provident Mutual

Life Insurance Company of Philadelphia

STATEMENT for 1932

ASSETS increased during 1932 from \$256,408,000 to \$261,387,000.

PREMIUMS AND INTEREST received amounted to \$45,200,000, as compared with \$47,200,000 in 1931.

NEW PAID INSURANCE amounted to \$95,400,000, a decrease of 13% below the figure for 1931. Annuities (not counted as insurance) increased 42%.

PAYMENTS TO POLICYHOLDERS totaled \$35,300,000, an increase of 14% as compared with 1931.

INSURANCE IN FORCE declined only 3.1% to \$998,300,000.

GENERAL CONTINGENCY RESERVES, \$18,190,000. This sum is held for the additional protection of our policyholders and is the amount that remains after applying \$649,000 to write down certain investment values and after making provision for all liabilities, including a new special contingency reserve of \$1,252,000 and \$7,343,000 for policyholders' dividends for the entire year 1933.

M. A. LINTON, *President.*

ASSETS

Cash	\$ 2,826,805.02
U. S. Government Securities....	4,503,933.00
Bonds	86,109,576.00
Mortgages on Real Estate.....	89,826,064.34
Stocks	1,415,530.00
Loans on Policies of the Company	55,739,171.65
Real Estate	9,753,675.59
Interest Due and Accrued.....	5,200,445.78
Deferred and Uncollected Net Premiums, etc.	6,012,726.31

The Total Assets Are.....\$261,387,927.69

LIABILITIES

Legal Reserve	\$215,006,798.00
Reserves for Supplementary Contracts	12,582,190.65
Dividends Left with the Company	3,134,331.86
Dividends Set Aside for Distribution	7,343,000.00
Premiums Paid in Advance.....	2,330,052.94
Policy Claims	704,349.71
Estimated Taxes Accrued, Payable in 1933.....	782,208.00
Miscellaneous Liabilities	62,075.39
Special Contingency Reserve.....	1,252,130.00

Total of Foregoing Liabilities....\$243,197,136.55
General Contingency Reserves... 18,190,791.14

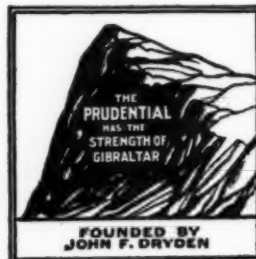
Total, Equaling the Assets.....\$261,387,927.69

Fountains of Youth

If a man really is only "as old as he feels," the human family has progressed a long way in its quest for long life.

You can show your prospect a *CERTAIN* way to an old age of *Independence* and *leisure*, during which he can indulge a dozen hobbies, if he wishes.

Just tell him about The Prudential's Retirement Annuity Policies.



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office - Newark, New Jersey

FLEXIBLE

**The LNL Family
Income Rider**

can be attached to a wide
variety of company policies

**The Lincoln National Life Insurance
Company Fort Wayne, Indiana**

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 7

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, FEBRUARY 17, 1933

\$3.00 Per Year, 15 Cents a Copy

Many States Ponder Moratorium Idea

**Mortgagees Meet with Governor
Blackwood and Other South
Carolina Officials**

TEXAS CARRIERS IN PACT

**Life Insurance Representatives Oppose
Legislation in Nebraska on Fore-
closure Proceedings**

The mortgage foreclosure moratorium question continues to be of first importance and it is being pondered in many states.

Governor Blackwood of South Carolina was authorized at a meeting in Columbia, S. C., with representatives of mortgagees, state legislators and other public officials to appoint a committee to aid legislative committees in devising a plan to assist land owners in retaining their property.

Spokesmen for insurance companies and federal agencies said, at the conference, they could not continue to make new loans if borrowers were relieved from personal liability. In response to a question from State Representative Manning of Sumter, Governor Blackwood said that a bill to make the deficiency judgment act less harsh is being introduced in the South Carolina legislature this year.

The governor called the conference pursuant to a resolution adopted by the legislature.

Mortgagees Are Lenient

Representatives of the mortgagees explained that their companies were doing their utmost to extend leniency to mortgagors. They said that loans had been made to obtain income and not for the purpose of foreclosing to secure property. Foreclosures are made as a last resort.

General Counsel Harry D. Reed of the Federal Land Bank of Columbia, which serves North and South Carolina, Georgia and Florida, stated that less than 4 percent of the farms on which loan interests and payments are delinquent, are actually in foreclosure. The institution has granted indulgences in the last year to 20,000 farmers, he said. A general moratorium is not advisable, he declared.

William Elliott of Columbia, representing the Metropolitan Life, said his company handles loans sympathetically on their merits, but could not subscribe to a hard and fast rule for extension. J. K. Hood of Anderson, representing the Mutual Benefit Life, expressed similar sentiments.

Other life insurance representatives at the meeting were: T. W. Sterritt, A. M. Lumpkin, E. S. Sandy and August Cohn, Prudential; C. R. Horton, Jefferson Standard Life; Roy F. Hunt, Southeastern Life; Paul L. White, Jefferson Standard; R. E. Henley, Life of

Require More Liquidity on Part of Companies

NEW YORK, Feb. 16.—Life companies are confronted with many problems these days that did not cut the slightest figure in years gone by. Owing to the avalanche of policy loans and surrenders a company finds it necessary to keep a larger amount of cash on hand than usual and also in its first, second and third lines of investment defense it should make them quite liquid. When annual statements are studied the first step is to ascertain the liquid position of a company. That means the ratio of its cash on hand, its most marketable securities which are in federal government bonds, short time notes of undoubted financial strength, etc. Next will come railway equipment bonds or bonds of other character that can be disposed of without any great amount of trouble. Next come preferred stocks and bonds that may require a bit of pressure to sell.

Sacrifice on Investment Income

In order to maintain this liquid position companies therefore will have to sacrifice on investment income. A company may feel perfectly safe in carrying bonds that yield a fairly good return and yet it might be difficult to sell them at the purchase price when a sale seems imminent. This means that every company must carefully consider this important factor. The demands on part of policyholders have kept up continuously for three years and while there has been some abatement any publicity, any emotional wave that causes solicitude in the minds of people immediately starts people to cash in on their life insurance. Since the first of the year, for example, there has been much printed about inflation and its probable effect. That undoubtedly spurred a number of people

to borrow on their life insurance or surrender their policies because they were afraid of what might happen. Any sort of a scare immediately is felt by the life companies as some policyholders are panic-minded.

The fact that companies therefore will have to sacrifice on investment income and the further condition imposed on them to give far more service to policyholders will eventually have an effect on the cost of life insurance. Companies, for example, find that there is more twisting and turning than ever before. The time of many premium payments heretofore on an annual basis has to be changed to semi-annual or quarterly. The face of a policy is cut down or changed into a cheaper form. Owing to the continued demand for loans and surrenders, the clerical force in those departments has had to be increased. Policyholders write in about their insurance and there has to be much more conservation work and correspondence.

Expenses Are Increasing

Therefore, owing to the very conditions of the times life companies find that their expenses are running up. These extra costs, and they will perhaps continue for many years, will tend to increase the annual outlay materially. Many are predicting that companies cannot carry on as they have been in the past and claim is made that the cost of insurance will increase. This will mean reduced dividends of mutual companies and a higher expense loading for the stock companies. Life insurance is confronted with a condition that the management cannot control. It is due to the unusual and unprecedented situation.

Virginia; A. M. Law and R. M. Cain, Penn Mutual; J. W. Roddey, Equitable of New York.

Commissioner King of South Carolina was present at the conference, as well as other state and city officials. Mr. King has prepared a special report for Governor Blackwood, showing that life companies have mortgages in South Carolina amounting to \$22,021,723; stock fire companies, \$99,819; miscellaneous companies, \$69,108.

Among the largest holders of mortgages in the state are: Atlantic Life, \$902,177; Equitable of New York, \$1,906,980; Fidelity Mutual, \$781,511; Jefferson Standard, \$672,986; Life of Virginia, \$1,528,683; Metropolitan, \$4,467,220; Mutual Life, \$284,500; Mutual Benefit, \$223,309; New York Life, \$500,306; Penn Mutual, \$1,454,655; Pilot Life, \$396,556; Prudential, \$5,529,502; Union Central, \$1,911,923.

SITUATION IN NEBRASKA

C. Petrus Peterson, representing the American Life Convention, and W. E. Sharp, president of the Royal Highlanders, speaking for the fraternal, have been spokesmen for insurance company interests in an effort to prevent the Nebraska legislature from materially chang-

ing the laws relating to interest and foreclosure proceedings and in opposition to proposed moratoriums. They have been aided by Attorney General

(CONTINUED ON PAGE 10)

Work Is the Word That Spells Success in 1933

Work is the word which will mean most to the life insurance man in 1933, in the opinion of 62 members of the field force of the Atlantic Life who sent greetings to President A. O. Swink on his birthday. Greetings were received altogether from 139 agents. Other words making for success scored as follows: Nerve, 23; application, 17; optimism, 12; system, 5; intelligence, 4; knowledge, 3. The agents had been asked by W. H. Harrison, vice-president and superintendent of agencies, to indicate on reply cards which one of the seven words seemed to them the most important to the underwriter this year.

Michigan Holiday Affects Insurance

**Most Home Companies Operate
With Out-of-State
Funds**

MEETING OBLIGATIONS

**Insurance Representatives Call on Their
Principals for Currency—8-Day
Bank Moratorium Serious**

DETROIT, Feb. 16.—The consensus in Michigan insurance circles is that the 8-day bank moratorium made mandatory by Governor Comstock in a proclamation issued at 1.33 a. m. Feb. 14 will be annoying but will not seriously interfere with the normal operation of companies and agencies in the state. Under the provisions of the moratorium, all banks, trust companies and other financial institutions doing business in Michigan "shall not be open for the transaction of banking or trust business."

The life general agents and managers held a hurried conference in the morning and issued the following statement: "The Associated Life General Agents and Managers of Detroit, representing the life insurance companies operating in Michigan, announce that their companies will meet the present situation resulting from Governor Comstock's proclamation respecting banks by such routine adjustments of their general practice as may be necessary to serve the policyholders with the least inconvenience.

Strength of Insurance

"A consolidated annual statement of the business as of Dec. 31, 1932, emphasizes the strength of the institution of life insurance. In the years 1930, '31 and '32 the income of the life insurance companies exceeded 15 billions, which was more than 2½ times the amount needed to meet all demands. Last year, the public purchased \$14,700,000,000 new life insurance, a significant expression of confidence."

The statement was signed by a committee consisting of Charles A. Macaulay, state agent John Hancock Mutual; W. O. Baldwin, inspector of agencies, New York Life, and Robert M. Ryan, Detroit manager, Equitable of New York.

The life insurance companies domiciled in Detroit anticipate little difficulty over the moratorium. All will continue to meet their various obligations as in the past, mostly out of funds on deposits in banks outside of the state. The American Life is meeting all obligations out of outstate funds and has notified policyholders that no policies will be lapsed during the moratorium.

The Detroit Life is awaiting advice of counsel and in the meantime is drawing on funds deposited outside of Mich-

(CONTINUED ON PAGE 11)

Underwriting Obligations of Agent Are Cited by Dingman

Underwriting obligations cannot be ignored by the agent, Dr. Harry W. Dingman, vice-president and medical director of the Continental Assurance (told those attending the fourth of a series of ten lectures given by the Continental Assurance and Continental Casualty in the Chicago Board auditorium. The better the agent understands the principles of selection of risks, the better he can service his clients, Dr. Dingman said. A company may accept an applicant for one agent, while rejecting that of another agent although the papers of the two applicants may be almost identical. Companies have a definite idea as to how their agents rank in the dependability of their recommendations.

The value of an agent's name in a file is of first importance. The agent's name brings to mind his applicants of the past and a composite picture is formed.

Passing the Buck

Some agents, Dr. Dingman declared, pass responsibility entirely to the home office, saying, "Take it or leave it. I submit it. You appraise it. In doing this, they lose prestige with the company and client. When the company gets no aid or advice from the agent, the risk is evaluated without regard to the agent.

In order to certify to a client's desirability, the agent must know certain basic factors that make him eligible for insurance. There are three large groups of classifications—physical, moral and financial. Although the physical phases are somewhat technical, they are not too technical, he said, for many experienced agents are discussing weight and heart and blood pressure impairments highly intelligently.

Moral qualification is good religion and good business, he said. Financial qualification is a big problem today. What

a man's income used to be means something, what it is today means more and what his reasonable future prospects are mean more yet. The company is insuring the present with a contract that may run years and years. Therefore the individual's economic trend must be gauged in order to avoid over-insurance in the following years.

Large Lines Expensive

Because large lines of insurance have proved expensive, the companies have had to insist on limits. That limit is almost universally agreed upon as 20 percent of the regular and continuing income for personal life insurance on the ordinary life basis. If the applicant has a \$10,000 income, then he may pay \$2,000 for premiums on the ordinary life basis.

The agent should hold the 20 percent rule in mind, he said. However, an easier rule is that a man age 30 is permitted to carry insurance in the face amount of ten times his yearly income, eight times at age 40, six times at age 50 and four times at age 60.

Five times the yearly salary for business insurance over and above personal insurance is the usual rule. In the case of 100 percent ownership of business, business insurance should be within the limits for personal coverage. However, the five times rule for business insurance is more flexible than the 20 percent rule for personal coverage.

The over-insurance problem was precipitated when the national income broke so violently three years ago, he said. The answer is conservatism. It calls for conservatism in selection and conservatism on the part of the companies in selecting business, handling business and handling the money that comes with the business.

Incontestable Clause Voided by Fraud in Assignment

The United States circuit court of appeals for the sixth circuit in Hooker vs. Aetna Life holds that the Tennessee statute requiring the provision that a policy shall be incontestable after two years does not apply to an action brought by an assignee based upon fraudulent assignment.

The company held that the plaintiff assignee had known that the decedent was uninsurable and had entered into an agreement with him to defraud the company by procuring a policy made payable to his estate and assigned it to the plaintiff, who was to pay all premiums. The policyholder died after the expiration of the contestable period.

The court holds that the incontestable

Absorption of Department in Alabama Is Protested

BIRMINGHAM, ALA., Feb. 16.—Executives of Birmingham fire, casualty and life companies adopted resolutions last week protesting against the bill introduced in the legislature to consolidate the state insurance department with the state banking department.

The protest is directed to the senate banking committee which is considering the bill and declares such a move would "set back the state's supervision over insurance companies for 50 years."

clause refers to a contest or defense as against the beneficiary or the bona fide assignee. The initial fraud, it was held, colored and invalidated all subsequent proceedings.

Made President



GARFIELD W. BROWN

Insurance Commissioner G. W. Brown of Minnesota was elected president of the National Convention of Insurance Commissioners at the meeting of the executive committee held in St. Louis this week.

Receiver Is Appointed for United Business Publishers

NEW YORK, Feb. 16.—Receivers were appointed last week for the United Business Publishers, a holding company owning control of a number of the prominent trade journals, among them the "Spectator," "Dry Goods Economist," "Hardware World," "Boot & Shoe Recorder" and the so-called Chilton and Hart publications. The bill of complaint was filed by the Federal Printing Company, claiming it was a creditor in the amount of \$177,379.

A. L. Davis of New York, counsel for the United Business Publishers, announced that appointment of receivers was a step necessary to be taken in working out plans for readjustment of the company's financial situation. He said the appointment of A. C. Pearson, chairman of the board, as one of the receivers indicated the operation of subsidiaries would be continued without interruption.

In recent months the "Spectator" has been printed at Philadelphia in the plant of the Chilton Company, instead of New York.

Grant M. Rhode, who was formerly with the U. S. Casualty at Chicago and later founded the Allied Insurance Agency there, has gone with the House agency of the John Hancock Mutual Life.

Garfield W. Brown Made President

Minnesota Official Heads National Convention of Insurance Commissioners

BONEY GETS NEXT PLACE

A. D. DuLaney of Arkansas Was Elected Second Vice-President of the Organization

ST. LOUIS, Feb. 16.—Garfield W. Brown of Minnesota was elevated to the presidency of the National Convention of Insurance Commissioners at a meeting of the executive committee held here. Other officers named are: Dan C. Boney, North Carolina, first vice-president, and A. D. DuLaney, Arkansas, second vice-president. Jess G. Read of Oklahoma continues as secretary-treasurer and J. B. Thompson, Missouri, chairman of the executive committee.

New members of the executive committee are E. F. Mitchell of California and M. L. Brown, Massachusetts. Hold-over members are G. S. Van Schaick, New York; S. A. Olsness, North Dakota; R. C. Clark, Vermont; Theodore Thulemeyer, Wyoming, and John C. Kidd, Indiana.

Those Attending the Meeting

Messrs. Brown, Boney, Read, Thompson, Kidd and DuLaney attended the gathering. Other state officials in attendance were Commissioner E. W. Clark of Iowa, L. H. Kreiter, deputy superintendent of insurance for Ohio; R. A. Brennan, deputy superintendent in charge of liquidation for New York; S. R. Feller, chief deputy superintendent for New York, and H. C. Spencer, counsel for the liquidation bureau, New York insurance department.

The resignation of W. A. Tarver of Texas as president of the National convention was received by the committee and accepted with regret. He retired from his official position Feb. 10. H. O. Fishback of Washington, a member of the executive committee, has also retired from the insurance department of his home state and so is no longer a member of the committee.

Tentative plans for the next annual meeting of the National convention, to be held at the Edgewater Beach hotel, Chicago, June 1-3, were discussed and it was decided to permit President Brown and Secretary Read to work out the details.

Plans for the Meeting

It was decided the June program will include a paper relating to the depository law or qualifying bond. Twenty-three states are now considering legislation on this subject in connection with public liability and workmen's compensation coverage. The matter has become more acute, due to the developments in connection with the Union Indemnity failure and similar situations elsewhere.

Another to be included in the program will be "How Insurance Departments Can Cooperate in Reducing Company Expenses," while the question of assessment associations will also be up for discussion.

The important committee on interlocking directorates or holding company control of insurance companies also held an executive session later to discuss various phases of the report that is to be drafted by the committee. Commissioners Brown and Thompson were present.

(CONTINUED ON PAGE 10)

FIGURES FROM DECEMBER 31, 1932, STATEMENTS OF LIFE COMPANIES

	Total Assets	Change in Assets	Surplus	New Bus. 1932	Ins. in Force Dec. 31, 1932	Change in Ins. In Force	Prem. Income 1932	Total Income 1932	Benefits Paid 1932	Total Disburse. 1932
Business Men's Ass.	9,435,962	784,324	528,126	27,969,146	94,045,882	352,632	2,246,468	2,854,145	719,326	1,757,374
Cal. Western States	42,492,194	-1,025,587	2,000,740	32,560,982	237,348,681	-24,708,132	7,222,733	11,252,802	7,251,505	11,734,474
Comopol. Old Line	2,839,425	604,428	551,931	1,707,218	4,905,019	824,664	700,625	793,536	111,463	263,480
Guarantee Mutual	16,507,633	301,966	1,214,220	13,289,179	135,924,907	-17,989,005	3,718,729	4,619,616	2,634,671	4,272,444
Gulf Life, Fla.	1,947,252	196,073	130,317	19,226,000	36,469,000	-460,000	1,358,971	1,466,441	433,607	1,273,330
Indianapolis Life	14,761,640	910,694	767,426	11,139,052	99,243,421	-5,391,869	2,894,677	3,925,117	1,811,052	2,909,728
John Hancock	639,455,692	18,177,559	44,070,620	0,280,669,757	0,189,236,089	-45,812,934	124,718,844	157,664,755	105,329,161	141,853,709
John Hancock	.....	.....	.....	.....	G.45,918,752	G.245,054,685G.-20,036,623	1,685,323	2,267,921	1,463,019	2,231,896
John Hancock	.....	.....	.....	.....	L.1,317,287,382 L.-90,452,587	62,224,433 -5,531,038	.....	.....	.....	.....
Lamar Life	9,814,072	63,576	700,000	7,937,498	158,689,312	-11,684,622	5,501,258	6,328,633	2,117,515	4,774,643
Mutual Life, Md.	17,476,969	451,895	1,577,467	44,354,518	706,256,478	-47,707,505	25,654,120	38,359,349	25,434,797	35,255,141
Pacific Mutual	193,913,904	3,590,096	8,783,462	57,229,823	190,320,995	-12,919,382	4,932,941	6,633,204	4,106,347	6,259,303
Peoria Life	23,902,551	417,750	813,985	39,010,026	2,008,947,312	-33,655,959	73,360,604	108,814,329	79,961,474	93,011,408
Penn Mutual	514,558,274	17,985,008	27,713,480	163,081,152	22,217,500	-3,461,939	591,526	925,043	841,016	1,133,716
Standard, Pa.	5,621,195	-380,488	128,588	1,633,211	686,222,764	-79,318,232	24,977,884	31,475,043	15,686,655	27,506,575
West. & Southern	128,351,597	3,490,415	10,336,125	242,994,025	7,361,022	169,922	125,112	143,675	21,609	138,211
West. Reserve, Tex.	352,439	18,779	43,675	3,361,768	127,278,137	-14,579,178	2,785,796	3,599,588	2,374,985	2,978,896
Yeomen Mut., Ind.	23,894,987	453,276	1,398,833	697,590	.....	.....	.....	.....	.....	.....

*Includes surrender values, \$4,482,258.

†All figures are for 8 months period since mutualization May 1.

**Includes contingency reserve of \$325,000.

†Reflects transactions in continuation of acquisition of and payment for assets of Intermountain Life and Western States Life.

Lincoln National, Kemper Plans O.K'd

Illinois Life Receiver Recommends Two Proposals to Judge Wilkerson

SULLIVAN TAKES PART

Court Will Consider Amendments to Proposals Until Friday—Oral Arguments Are Heard

The James S. Kemper group and Lincoln National Life proposals for reinsuring the Illinois Life were recommended to Federal Judge Wilkerson by Receiver Abel Davis and his actuarial adviser, Edward B. Fackler of Fackler & Breiby, New York, in preference to the eleven other plans which they considered at a hearing in Chicago last week. Judge Wilkerson later announced that he would allow all bidders until Feb. 17 to amend their proposals, if they so desired. It is expected that he will make his decision shortly afterward.

It is said that Actuary Fackler has practically urged the acceptance of the Lincoln National so that there need be no delay. He feels the company has the machinery available for immediate use, and its proposal, he finds, is very fair.

Attorneys for the proponents of the various reinsurance plans presented oral arguments at hearings Monday and Tuesday of this week. J. R. Cochran, Kemper counsel, brought out the important points of his client's proposal to establish a new company to take over the Illinois Life, which were outlined in detail in last week's issue of THE NATIONAL UNDERWRITER. He told of the 20 years of successful experience that James S. Kemper and his associates have had in managing a number of companies, including the Lumbermen's Mutual Casualty, which had a premium income of over \$15,000,000 in 1932. He stressed the financial strength of the Kemper companies, saying they would give the strength in investments that the Illinois Life lacked. He said their proposal to establish a \$1,000,000 surplus and \$250,000 capital in cash would inspire confidence and establish a fund so the Illinois Life death claims could be promptly paid. Attorney Cochran compared his plan with that of the Lincoln National Life, enumerating the points which he felt were superior.

Lincoln National Proposal

The main points of the Lincoln National Life proposal were presented by Attorney J. S. Condit. During the first five years of the reinsurance the Lincoln National will pay in full (free of any lien) all death claims which are now unpaid and which result during such period. The Lincoln National will look only to the income of the fund (net profits from income of the policyholders trust fund and from premium payments) wherewith to pay such death claims. "If the income of the fund and policies falls short of paying such death claims, the Lincoln National will stand the deficiency. If there is such deficiency, the Lincoln National will not charge the waiver of the lien to the corpus of the fund. This undertaking, which is in effect an underwriting by the insurer, that it will pay death claims out of income, insures every policyholder full payment of his policy in accordance with its terms in event of death. The insurer takes the risk of the income being insufficient and this risk is very substantial.

(CONTINUED ON PAGE 10)

Lloyds of America Elects Livingston as President

TO RESIGN AS COMMISSIONER

Michigan Official Is Choice of Barnes and Cohen for Head of Casualty Company

Commissioner Charles D. Livingston, one of the most popular men in the ranks of the state officials, will be elected president of Lloyds of America Feb. 20. He will resign as commissioner as of that date.

The position of president of Lloyds has been left vacant since that company was formed in the consolidation of Lloyds Casualty, Constitution Indemnity and Detroit Fidelity & Surety. Julius Barnes and Frank Cohen, who control Lloyds, were seeking a man of outstanding reputation for the presidency and they found him in Mr. Livingston.

Mr. Livingston, before becoming commissioner, was supervising general agent in Michigan for the Royal Exchange Assurance. He had 25 years insurance experience as local agent, rater, special agent, state agent and general agent.

Mr. Livingston was appointed insurance commissioner in 1927 and was reappointed in 1931. He served as president of the National Convention of Insurance Commissioners from 1931-32. He has been warmly regarded by insurance officials and fellow commissioners.

James H. Prentiss, who a number of years ago was vice-president of the North American Life of Chicago, and who left the business, has now returned to the work as a broker, being located at 120 South LaSalle street, Chicago. His son is connected with the Swanson agency of the New England Mutual Life in Chicago.

Under Arrest



JOSEPH I. REECE

Former Insurance Commissioner J. I. Reece of Tennessee was arrested in Washington, D. C., last week, being charged with larceny of \$100,000 of bonds and fraudulent breach of trust. The present commissioner, J. S. Tobin, discovered a \$100,000 discrepancy in the blue sky division and Governor McAlister immediately ordered an audit. Mr. Reece was appointed commissioner in the summer of 1931, succeeding A. S. Caldwell, who had held the post since 1923.

Acacia Mutual's Action

The Acacia Mutual announced this week it has decided to make no change in dividends to be paid in 1933, but to maintain the 1932 scale. The company also will not increase premium rates.

Luther Speaks on Replacement Issue

Aetna Life Vice-President Declares Problem Is Not Merely Company One

STATES MUST TAKE HAND

Trouble Is That Every Office Is Out for Itself Regardless of General Welfare

NEW YORK, Feb. 16.—Handling of the replacement problem should not be left solely to the companies but the states and the insurance commissioners should take a definite stand, Vice-President K. A. Luther of the Aetna Life declared at the monthly C. L. U. luncheon.

The luncheon was also in the nature of a welcome to Mr. Luther, who will on Mar. 1 become a partner of R. H. Keffer.

"I have followed the replacement problem very closely," Mr. Luther said, "and I am frank to say that I don't know yet what the answer is. We have told our agents that the best way to adjust such matters is through the company which originally wrote the risk.

Every One for Himself

"The trouble in dealing with this situation, as in the case of world problems, is that each of us is angling for the little edge that we want for ourselves. I hope to live to see the day that this problem will be dealt with satisfactorily, just as I hope to see the day when it will cost \$100 a year for a man to be in the life insurance business. Then we will have fewer agents but they will be better ones."

"Life insurance has again become as it was when I went into the business many years ago in that people are again concerned about the security of companies. Those who represent companies who have met their obligations honorably are in a fortunate position. Those whose companies have not been able to do so are embarrassed and will continue to be embarrassed."

Mr. Luther revealed that companies are now receiving an unusually large amount of advance premiums, so much so that it has become something of a problem to determine just how freely they should be accepted, inasmuch as they constitute money on call. He said he believed it was the part of wisdom to get these advance payments even though the company stood little or no chance to earn a profit on them. Mr. Luther pledged his support to the C. L. U. movement and said he would encourage agents to take the C. L. U. course.

W. E. Barton, president of the New York City Life Underwriters Association, and a member of the chapter, urged C. L. U. men to lead the movement for fairer competition and so help clear up some of the troubles that have beset the business during the past few years.

Grant L. Hill, president of the chapter, announced a series of lectures by Dr. S. S. Huebner of the University of Pennsylvania for March 4, 10 and 17 at the Washington Square branch of New York university. Dr. Huebner will speak on the economics of life insurance. Attendance will be limited to 100.

President J. A. Fulton of the Home Life arrived in San Francisco this week after making an address at the sales congress in Oklahoma City. He visited the Home Life agency at Los Angeles. He went to Denver from San Francisco.

Washington

Washington is the mightiest name on earth—long since the mightiest in the cause of liberty; still mightiest in moral reformation. To add brightness to the sun or glory to the name of Washington is alike impossible. Let none attempt it. In silent awe let us pronounce that name, and in its naked, deathless splendor leave it shining on.

—Abraham Lincoln's Tribute.

The Penn Mutual Life Insurance Company

Annual Statements—1933

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IN VIEW of the many difficulties and financial reverses that insurance companies, both large and small, encountered in 1932 many agents and brokers are not clear as to the financial standing of the companies they represent. They may not be apprehensive, but they certainly are in doubt. They want to find out how their companies survived the financial disasters of 1932.

They can learn only by studying comprehensive financial statements of their companies. The general assurance that everything is "all right" or that the company is "going along" carries no conviction in these times.

Every solvent, going company should advertise its annual statement figures this year, whether it has done so in the past or intends to in the future. By neglecting to advertise its statement, a company may cause the very doubts about itself that it does not want to exist. There is nothing more convincing or reassuring than a good annual statement. Agents this year are not expecting impressive gains in assets, surplus, etc. Instead, they simply want to be sure that the companies in which they are placing business are financially sound and that they have successfully weathered the storm of 1932.

Your own agents and brokers may know all about your company, and be perfectly confident in it, but what about the insurance fraternity as a whole? Naturally, your own agents and brokers are going to make nothing but complimentary references to your company, but you should be just as eager to properly inform the agent or broker who does not represent you. Let the financial facts about your company be known. Broadcast your annual statement. Make clear to everyone in the insurance business just where you stand. Advertise your annual statement in *The National Underwriter*, which goes to everyone in the insurance business that you will want to reach with your statement figures.

(Number 28 of a series devoted to the merits of *National Underwriter* advertising)

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The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

Former Commissioner Under Arrest for Alleged Larceny

JOSEPH I. REECE INVOLVED

Tennessee Official Charged With Stealing \$100,000 Bonds From the State Department

NASHVILLE, TENN., Feb. 16.—A plea of not guilty was made by J. I. Reece, at a preliminary hearing before Squire F. M. Besa.

"No statement until later. When I make one it will ring," declared Mr. Reece when he stepped from a Washington train in Nashville. Warrants were served immediately and after his plea of not guilty he was bound over to the Davidson county grand jury which is now in session in Nashville. The grand jury is now in session and the cases are expected to be placed before that body in the regular course of business within the next two days.

NASHVILLE, TENN., Feb. 16.—Considerable commotion was caused in Tennessee when it became known that a warrant had been issued for the arrest of former Insurance Commissioner Joseph I. Reece, on charge of larceny or \$100,000 of bonds and fraudulent breach of trust. Mr. Reece was at Washington, D. C., and an officer was sent there from here armed with a requisition signed by Governor McAlister, following arrest of Mr. Reece in the capital city. Assistant Attorney General Tipton accompanied the officer.

Reece Denies Charges

Warrants charging Mr. Reece and his brother, Lem, with larceny and conspiracy to commit larceny were issued on instruction of the attorney general. The chief of detectives at Washington stated that about \$1,160 was found in Mr. Reece's pockets when he was arrested and some \$20,000 located in the safety deposit box in a Washington, D. C., bank. Attorney G. L. Evans, who represents Mr. Reece at Nashville, stated that he had had a telephonic conversation with the former commissioner and he planned to return without fighting extradition. Attorney Evans said that Mr. Reece denied charges made against him. Mr. Reece was appointed commissioner by former Governor Horton, who suddenly removed A. S. Caldwell from office to make room for Mr. Reece. His brother, B. Carroll Reece, was elected Republican congressman from the first Tennessee district at the last election. Lem Reece is an attorney at Elizabethton, Tenn.

Bonds Sold in New York

Counselor General Gardenhire stated that \$90,000 of the bonds reported missing from the blue sky division of the insurance department had been sold to a New York bank on Feb. 3. The bonds had been deposited with the blue sky division as bailee by the Fidelity Investment Association of Wheeling, W. Va. J. I. Reece is former dean of Carson-Newman college of Jefferson City, Tenn. The new insurance commissioner, J. S. Tobin, reported to the governor that \$100,000 discrepancy had been discovered in the blue sky division and the governor immediately ordered an audit. Judge Gardenhire said the missing securities were those of the Arkansas Light & Power and other negotiable utility bonds, worth at the present market price about \$75,000.

Commissioner Reece became a stormy petrel in his office, making charges of all kinds against different companies and assuming a sort of swashbuckling air.

Reece's Property Attached

Directly after he was bound over to the grand jury Mr. Reece appeared before Judge Hart, who fixed his bond at \$20,000. On the day of his arrival in Nashville, the state on the relation of the Fidelity Investment Association secured a court fiat for a writ of attach-

Monthly Reports Demanded of Illinois Life Companies

PALMER INSTITUTES SYSTEM

Insurance Superintendent Calls for Periodic Statement of Certain Financial Transactions

In order to give the insurance department an accurate knowledge of the status of each Illinois company and possibly to form a basis for a legislative program to strengthen the Illinois insurance laws, Superintendent Palmer of Illinois has requested from the companies in his state information not brought out in annual statements. Information covering certain transactions from Dec. 31, 1932, to March 1, 1933, is requested for filing by March 15. Then Mr. Palmer requests that the life companies file the statement every month thereafter covering the same points.

The following information is desired:

1. A description of the property purchased or exchanged between Dec. 31, 1932, and March 1, 1933, setting out the price paid or full description of such property accepted in exchange.

2. A list of the loans made between said dates, stating the amount of the loan and to whom made, giving a list of the collateral security and the amount thereof securing the same.

Full Description Asked

3. A description of the property sold or exchanged between said dates, stating the price obtained, or a full description of such property as may be accepted in exchange therefor.

4. A list of loans paid to you between said dates and the disposition of the collateral securing the same, if any.

5. The amount of company funds on deposit in any bank which has suspended operations, with the name of the bank.

6. The amount of company funds deposited in any bank of which any of your company's officers or directors are officers or directors.

7. With reference to above paragraphs, state further whether any of your company's officers or directors are, or were at the time the transaction took place, financially interested in the property bought, sold or exchanged, or were or are officers or directors of organizations to which loans were made, and also whether any of your company's officers or directors are related to persons to whom loans were made or are related to persons who are or were officers or directors of organizations which were parties to any of the transactions listed.

A similar statement must be filed for March on or before April 15 and a like statement filed for each succeeding month thereafter on or before the 15th day of the month following.

Morrell Going Strong

John Morrell of the Sam Lustgarten agency of the Equitable of New York in Chicago qualified for the \$250,000 Club in January alone and at the rate he is going expects to qualify for the \$500,000 Club by the end of February. In January he wrote an annuity case carrying about \$14,000 in premiums, which under the Equitable's system counts for \$350,000 of ordinary business, and he has sold a number of annuity and retirement plans recently.

ment on Mr. Reece's property, including real estate and money in banks and bonds. The attachment was also on the property of Lem Reece, brother of the former commissioner, charged with conspiring to commit an indictable offense. Lem Reece has not yet been apprehended.

Lovelace for Grief Party in Evening at the Home

URGES POSITIVE ATTITUDE

New York Life Official Declares There
Is Entirely Too Much Depres-
sion Talk

NEW YORK, Feb. 16.—Action, a positive mental attitude and the avoidance of depressing people were recommended by Second Vice-President G. M. Lovelace of the New York Life, speaking at the February meeting of the New York City Life Underwriters' Association. Mr. Lovelace quoted Abbe Dimmet's statement that "action is the remedy for brooding, anxiety and concentration on self," and reminded his hearers that it is now just as fashionable to tell the biggest hard luck story as it was to brag about good fortune in the boom days.

Suggests a Grief Party

Mr. Lovelace jokingly suggested that if it were too much effort to keep a positive mental attitude for an entire day it would be a good idea to have a "grief party" at home in the evening, inviting the neighbors in and giving prizes to those telling the most doleful hard luck tale.

Dean J. T. Madden of the New York University commerce school dealt with the dangers of inflation and the need of constructive and intelligent plans for bringing the nation and the world out of its present economic plight. He criticized severely the publication of names of Reconstruction Finance Corporation borrowers as undermining public confidence and undoing much of the good the corporation was intended to do. He urged a lowering of mortgage interest rates, saying that although prices are at pre-war levels the interest rates are those of the post-war inflation period.

"I have dwelt at length upon interest rates for long term funds," said Dean Madden, "because I regard the matter as an important factor in the situation if we are to build upon present levels and eschew inflation of any kind. Confidence will be restored when business men, bankers and industrialists know the level we are to start from when the tide turns."

Freeman Wood Agency Leads National Life Field

The Freeman J. Wood agency in Chicago of the National Life of U. S. A. took first place in January among the company's agencies in submitted and paid volume. Incidentally, the Wood agency has shown an increase of more than 30 percent in 1933 to date over the corresponding period last year, and in 1932 the business showed a substantial gain over 1931. Mr. Wood has been associated with the company for more than ten years, having successfully developed an agency organization in South Dakota, later being promoted to the Minneapolis office, and then to the home office, where he was engaged in supervising activities for several years. Following that, he determined in 1930 to build an agency of his own in Chicago, with the result that his agency is now heading the field organization.



F. J. WOOD

OUR 1933 PLAN

*Plan—A formulated scheme for
the accomplishment of an
objective.*

In 1932 the agents of the Midland Mutual Life wrote 2% more lives than were written in 1931.

In 1933 they plan to increase the number of lives at least 10% over the number written in 1932.

January writings show an increase of 6% plus.

THE MIDLAND MUTUAL LIFE INSURANCE COMPANY

Columbus, Ohio



Financial Statements of Life Companies Are Presented

The Sun Life of Montreal in its annual statement shows assets \$611,436,152, insurance in force \$2,880,069,828, total income \$161,407,285, paid policyholders \$108,527,555. Increase in insurance in force from 1929 is \$478,000,000. A large part of its assets is invested in American securities. It states that it has \$1.60 invested in the United States for every dollar of liability and has over a billion dollars of business in force in the United States. It has nearly a million policyholders, there having been added 200,000 during the last three years. Its new business last year was over \$284,000,000. Its excess income was \$13,000,000.

Little change was made in the investment portfolio, which stands practically the same as last year. It is stated that the company's activities in the investment of its funds last year were confined largely to the purchase of Canadian government bonds. The securities sold resulted in a profit of about \$250,000. The list was strengthened by extensive writing down. The investment income held up very well. Since the organization of the Sun Life over 62 years ago it has paid over \$702,000,000 to policyholders and beneficiaries.

New York Life's Year

The New York Life's annual statement shows total paid policyholders and beneficiaries last year \$255,200,000, exceeding by \$27,600,000 the largest amount so paid in any year. Its income last year was \$407,235,904. President Buckner said that the company met on demand every obligation from its current cash income without having to sell any securities or borrowings from any source. It made new investments

amounting to \$46,623,000 and closed the year with a larger amount of cash in bank than any other year-end statement shows. Its assets are \$1,974,076,041 and surplus \$113,969,907. It has a special reserve fund amounting to \$36,630,709 and a surplus for 1933 dividends amounting to \$52,059,288. Its cash on hand was \$27,697,604. It owns over \$56,000,000 in federal bonds and \$129,486,343 state and municipal bonds. Its new business last year was \$521,264,100 and its insurance in force was \$7,341,993,220.

John Hancock Mutual

Assets of the John Hancock Mutual Life are shown in its annual statement to be \$639,455,691, including bonds and stocks \$186,367,704, real estate and mortgages \$281,621,221, policy loans \$92,366,911, cash, real estate, interest and rents due and accrued \$64,066,830.

The policy reserve amounts to \$529,438,050, reserve for 1933 dividends to policyholders \$20,302,419, contingency reserve \$13,500,000, and general safety fund \$44,070,619.

Assets were increased \$18,177,558 during the year. Expenses of every kind were paid from current revenue.

The dividends to policyholders this year are upon the same basis as in 1932.

The John Hancock paid to policyholders and beneficiaries in 1932 the amount of \$105,329,161. New insurance paid for was \$560,267,147 and insurance in force \$3,456,578,156.

Lincoln Liberty Life

The annual statement of the Lincoln Liberty Life of Lincoln, Neb., shows assets \$4,134,881. It has United States and municipal bonds amounting to \$2,243,477, corporation bonds and other

like resources \$392,895, mortgage loans \$341,166, cash \$129,467, policy loans \$680,140. Its policy reserves is \$3,105,772. Its capital is \$100,000, assigned surplus \$233,760 and unassigned surplus \$197,385. Last year its new business amounted to \$6,025,000. Its insurance in force is \$23,664,041. The company is proud of the fact that it has \$1,133 in resources for each \$1,000 of policyholders liability. The Lincoln Liberty Life has met every obligation promptly and has not sold any securities or borrowed money to meet the current demands.

Ohio State Life

The Ohio State Life, in its 1932 statement, reports assets \$14,766,739, increase \$403,648. Assets include U. S. Liberty and treasury bonds \$1,480,000, federal farm loan bonds at market value \$139,840, state, city, county and city school bonds \$649,167, cash \$244,103, first mortgage loans \$7,308,576, home office building \$700,794, real estate acquired through foreclosures (48 city properties, 1 farm) \$538,472, loans to policyholders \$3,157,191.

Its policy reserves amount to \$12,415,883, general contingency reserve fund \$400,000, capital \$500,000 and net surplus \$807,454.

Insurance in force amounts to \$81,782,087. In 1932, the Ohio State Life paid to policyholders \$1,954,891.

Central States Life

The Central States Life of St. Louis closed the year with \$103,845,272 insurance in force compared with \$122,289,083 the previous year. The assets are \$18,349,229, a gain of \$226,019. The new business was \$7,447,727 while revivals and increases amounted to \$1,835,966, making total new business \$9,283,693. The capital and surplus are \$1,369,527 as compared with \$1,272,701 a year ago. This includes \$400,000 in capital, \$550,000 in contingent funds, leaving \$419,527 net surplus. The chief items in the assets are mortgages \$4,910,951, real estate

\$3,021,153, bonds and stocks \$4,937,784, policy loans \$4,636,549, cash \$132,951. Premiums last year were \$2,741,538, interest \$775,112, death claims \$759,058, other payments to policyholders \$2,088,682.

Oregon Mutual Life

The Oregon Mutual Life of Portland reports an increase of \$484,974 in assets, the figure now standing at \$11,938,658.

The contingency reserves were increased from \$175,000 to \$190,000. Net surplus was increased from \$616,875 to \$646,381. In addition a special reserve of \$50,000 was set up to meet unforeseen depreciation. Insurance in force amounted to \$54,316,747.

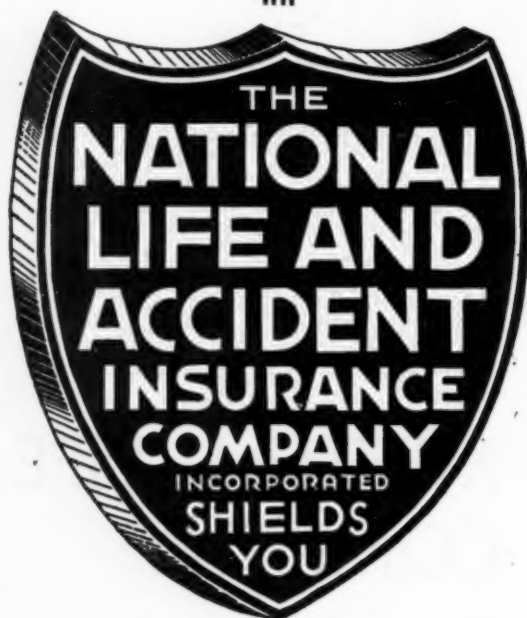
Dividend disbursements for 1933 will be 85 percent of the 1932 scale. The rate is to be adjusted so as to increase dividends in later policy years and decrease those in earlier years.

Total payments to policyholders last year amounted to \$1,649,264, including death claims \$429,745. The mortality ratio was 60 percent. Investment income in 1932 exceeded that of any previous year, according to President C. F. Adams. The trend of policy loans is downward and repayments are increasing.

Lutheran Brotherhood

The Lutheran Brotherhood, the well known legal reserve institution in Minneapolis, has issued its 15th statement. Its assets are \$3,669,975, surplus \$357,610, insurance in force \$40,977,778, total income \$1,353,798, paid policyholders \$429,101. Its mortality ratio was 24.51. The ratio of assets to liabilities is 110.8 percent. Herbert L. Ekern, former insurance commissioner and later attorney general of Wisconsin, and now a well known Chicago insurance attorney, is president of the Lutheran Brotherhood.

"Forty Unusual Plans for Selling Life Insurance," by J. Stanley Edwards, is an assembly of unique selling plans which have all been used successfully by leading underwriters. Price, \$2.50. Order from The National Underwriter.



Trade Mark Reg. U. S. Pat. Off.

Promotions from the field

The National Life & Accident carefully watches its field men wherever they are located. Promotions are always made from the field—from those who show the most promise and have the best records. This Shield Company has built a loyal enthusiastic organization by promoting men who start from scratch—by recognizing merit when due.

Nearly every issue of "Our Shield," a readable, interesting weekly publication for the Shield Family, carries pictures and histories of men who have been promoted because they have made good.

It pays to be a Shield Man.

The NATIONAL LIFE and ACCIDENT INSURANCE CO., Inc.
Nashville, Tennessee

Tune in WSM

Rights Are Discussed If Premium Has Not Been Met

ATTORNEY MCKINLEY'S PAPER

Issue May Arise Which Will Involve Question of Liability of the Company

Attorney A. A. McKinley of Chicago, in a paper read this week before the Chicago Insurance Lawyers Club, gave some observations regarding certain rights of a company and the beneficiary in event of a death claim arising after a policy has lapsed for non-payment of premium. He said it is not infrequent that a policyholder fails to pay the premium as stipulated in his policy when due and then dies while it is still unpaid. The assured may fail to remit but may have had it in mind to do so or made arrangements for payment. Mr. McKinley said the policyholder, and at his death, the beneficiary, may still have rights. He said it might be interesting to find what the word "lapse" means as applied to a life policy.

Dividends May Be Factor

With mutual companies the question of dividends and when declared become a factor in this connection. It is generally understood that it is the duty of a company to use such funds and equities as the policyholder has to prevent a lapse or forfeiture and to protect the rights of a policyholder by granting him extended insurance or to take other steps to throw safeguards about the policy. Where a company has accrued dividends in its hands sufficient to cover the premium due or to purchase extended insurance, Mr. McKinley said then it is its duty to apply them to the payment of premiums and prevent a forfeiture. In fact, where the company has any funds belonging to the policyholder it must use them to prevent a forfeiture. He cited a number of cases to back up this statement.

Specific Cases Cited

Mr. McKinley gave the circumstances of a number of cases making observations on them and telling the decisions of the courts regarding the issue. Mr. McKinley cited the case of *Algoe v. Pacific Mutual L. R. A.* 1917, A, Page 1237, Note 1241, which collects the decisions considering the effect of a loan to the assured by a company on the security of his policy as working a forfeiture of any of the rights granted to him by provisions of the policy in case of default in premium or on the loan.

Indiana Names Receivers for a Kentucky Company

On Thursday of last week Irving Hamilton and Phillip Ketterer of Indianapolis were appointed co-receivers for the Indiana business of the Equitable Life & Casualty of Louisville. This company reinsured some time ago the business of the Indiana Equitable.

LOUISVILLE, Feb. 16.—James R. Duffin, president of the Equitable Life & Casualty, when asked about the receivership action, said the action is not significant in that the Equitable Life & Casualty has no property in Indiana and is not licensed to do business in that state. Under the Kentucky laws no one may bring a receivership action against a Kentucky company other than the insurance commissioner of Kentucky.

Mr. Duffin stated he was taking immediate action to have the receivers dismissed and the court order set aside. No official of the company, he said, was advised of the action in time to be represented at a hearing set for Feb. 8, and the only notice of such action was served on W. R. Phillips, a former company

agent in Indiana, who at this time is not a licensed agent of the company.

Mr. Duffin stated that the action in Indiana was brought by President Hamilton of the Insurance Service Bureau, to which the Equitable Life & Casualty owes a few hundred dollars for inspection fees or service, but that such a claim is merely a common law matter, wherein the claimant may file suit for recovery and secure judgment, but has no legal right to bring a receivership action.

Mr. Duffin stated that when the true facts of the case are presented before Judge Williams he felt assured that the receivership order would be set aside.

Niehaus Made Secretary

M. S. Niehaus, assistant secretary of the Gulf Life of Jacksonville, Fla. is elected secretary. He started his insurance career in Indianapolis with the actuarial office of A. W. Haight and has been with the Gulf Life for six years.

W. G. Phelps, recently reelected first vice-president Security Mutual Life, died at his home in Binghamton, N. Y. at the age of 76. He will be succeeded by his brother, Z. Bennett Phelps, who after many years as treasurer was recently elected second vice-president.

H. W. Buttolph Is Named as Central States Life Head

NEW BOARD NOW IN CONTROL

Strong Insurance and Financial Interests Secure Control of St. Louis Company

ST. LOUIS, Feb. 16.—Henry W. Buttolph, secretary American Central Life of Indianapolis and well known actuary, has been elected president of the Central States Life to succeed James A. McVoy. Mr. McVoy continues with the company in an executive advisory capacity.

Mr. Buttolph has been in St. Louis for some weeks looking after the interests of a group of companies which had loaned money to the Central States Life and held its stock as collateral.

George Graham continues as vice-president; V. F. Larson, secretary; R. H. Burd, general counsel; Dr. Henry Jacobson, medical director; J. De Witt Mills, superintendent of agents; G. P. Henderson and R. C. See, assistant secretaries; C. R. Goodrich, assistant actu-

ary, and G. C. Hermeling, agency secretary.

With the election of eight new directors and the reelection of Vice-president George Graham to the board of administrative control, the company passed into the hands of powerful financial and insurance interests who are able and ready to give the company any assistance it may require to work out its problems and to meet any demands due to the general business depression.

The new board was agreed to prior to the annual stockholders meeting by all elements and they are in accord with the program that has been decided upon by the various interests that hold stock directly or indirectly.

Mr. Graham was renamed to the board for a three-year term. The other directors are: Messrs Buttolph, Mills and Henderson, J. F. Wade, investment banker of St. Louis, and Harvey Sims, St. Louis real estate dealer and contractor, for four years; B. K. Leach, president Egyptian Lumber Company, St. Louis, and C. R. Goodrich, for two years, and G. C. Hermeling, for one year.

Holdover directors are E. M. Grossman and T. N. Dysart, terms expiring in 1934, and W. M. Crunden and Cyrus Thompson in 1935.



ORGANIZED SELLING METHODS

have been supplemented by a timely
contract the RECONSTRUCTION
SPECIAL, which at age 35 "Turns
The Clock Back" 14 years

THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

Lincoln National, Kemper Plans O.K'd

(CONTINUED FROM PAGE 5)

"During the second five-year period the Lincoln National Life will continue to pay in full such death claims in accordance with policy terms, if the receiver and a disinterested actuary agreed upon by the court, receiver and the Lincoln National elect that such payments of death claims in full shall continue during such period. During this second five-year period, the Lincoln National will again not have the right to charge any deficiency resulting from the payment of such claims over and above the net income from premiums against the corpus of the trust estate.

Service at Fixed Rates

"During the first two five-year periods the Lincoln National will service the policies and all assets at fixed rates, provided for in the proposal. These rates are much lower than what would have been the costs of Illinois Life had it not failed and much lower than the renewal costs of companies having insurance of \$125,000,000 in force.

"During the third five-year period (the liens having been fixed at the end of the ten-year period) the Lincoln National will make the same charge for its service as during the first two five-year periods, but will grant one-half of the profits resulting during such period to the continuing policyholders.

"At the end of 15 years and thereafter the policies of Illinois Life will be continued by the Lincoln National if not rewritten in accordance with their then existing terms and conditions.

Will Administer All Assets

"If the court desires, the Lincoln National will, during the 15-year period, administer all of the assets, all of the policies, all the income from both assets and policies as a trust fund. It will keep such entire trust estate separate from its other assets and charge for such service as trustee the minimum charges provided for in its proposal above outlined, but at the end of 15 years it will want the privilege of taking over as its own, all the then assets in the trust, all the then liabilities of the policies lined to the extent the then condition of the trust estate requires such policies to be lined."

Other Bidders Heard

Attorneys representing the other bidders were permitted to review their proposals. L. A. Stebbins pointed out the main points in the proposal of the Life & Casualty of Chicago, and former Senator Charles S. Deneen told of the advantages of the plan of the Continental Life of Missouri. Walter H. Eckert presented the argument for the mutualization and readjustment plan of the Policyholders Protective Committee, of which James M. Crume is secretary. The attorney for the fraternal group also enlarged on its proposal.

The pure premium plan of J. P. Sullivan, formerly Lincoln National Life general agent at St. Louis and more recently with the Illinois Life, was presented as a solution for the Illinois Life's situation at the hearing last week. After Actuary Fackler had presented his recommendations on the reinsurance proposals, Attorney D. D. Stansbury, with Mr. Sullivan coaching him, spent several hours cross examining Mr. Fackler regarding his findings. Finally Judge Wilkerson halted the examination and instructed Attorney Stansbury to submit a proposal for reinsuring the Illinois Life if he had one.

Sullivan's Plan Submitted

Mr. Stansbury responded by submitting Mr. Sullivan's plan by which the Illinois Life would operate under its old charter. Under this plan the banking and life insurance departments would be separated and no lien would be placed against policies or moratoriums on claims. It was estimated the premium

income of \$600,000 annually would more than take care of the current death claims and the cash realized by the receiver on the assets would absorb the outstanding death claims. Applicants for loan values and holders of endowment and annuity contracts would be given certificates representing their share of the assets. No business would be written by the reorganized company for three years and it would be operated by directors selected by the court and the policyholders. On Tuesday Mr. Sullivan took the witness chair and gave more details of his plan.

What Does Policyholder Get?

One of the interesting phases of the hearings was when Judge Wilkerson said that he would rather see the company liquidated than agree to a proposal whereby the reinsurer would gain if the transaction turned out favorably, while the policyholders would be penalized if it did not. The judge asked the different attorneys in presenting the arguments for their plans to tell why reinsurance is preferable from the policyholder's standpoint instead of complete liquidation.

In addition to the legal counsel representing the 14 bidders for the Illinois Life business, a number of insurance men were present at the hearings, including Massey Wilson, former president of the International Life; R. W. Stevens, former president of the Illinois Life; Arthur Coburn, vice-president North American Reassurance, and Darby A. Day.

Garfield W. Brown Made President

(CONTINUED FROM PAGE 4)

Commissioner Olsness of North Dakota, the third member, could not attend.

The executive committee voted to accept an invitation from the American Mutual Alliance to be its guests at the opening of the Chicago Century of Progress Exposition the afternoon and evening of June 1. This will be the only entertainment feature in connection with the Chicago meeting, it was decided. The St. Louis chamber of commerce put in a bid for the 1934 annual meeting.

Other men prominent in the insurance world who were in St. Louis in connection with the gathering were: L. H. Wolfe, actuary, New York City; C. W. Hobbs, National Council on Compensation Insurance; C. W. Fairchild, Casualty Executives Association; J. A. Beha, National Bureau of Casualty & Surety Underwriters; H. P. Hammond, actuary, Travelers; J. A. Hartigan, St. Paul, Equitable Life of New York; W. C. Safford, executive vice-president, Western & Southern Indemnity of Cincinnati; Gustav Lindquist, former superintendent of insurance for Minnesota, now connected with the Equitable Life of New York, and G. W. Wells, another former Minnesota commissioner, now secretary Northwestern National Life of Minneapolis.

Practiced Law Many Years

Commissioner Brown was born at Pipestone, Minn., March 16, 1881. He was educated at the University of Minnesota, receiving his law degree there. He practiced law from 1906 to 1921. He was a member of the Minnesota legislature from 1911 to 1913. He served as judge of probate court except when he was in the war. He was state public examiner from 1921 to 1928 and was appointed insurance commissioner Oct. 15, 1928.

The executive and special interlocking directorate committees held a long session. At the conclusion of the meeting it was stated there would be no official statement at this time of the various matters discussed in the executive sessions of the committees aside from the earlier announcement as to new officers and tentative plans for the Chicago meeting in June.

Sales Congress to Honor Whatley, Luther, Edwards

The Chicago force of the Aetna Life is preparing for a combination sales congress, farewell party to General Agent S. T. Whatley, who March 1 becomes vice-president and goes to the home office; welcome to R. S. Edwards, the new general agent in Chicago, and greeting and well wishes to K. A. Luther, retiring vice-president, who becomes joint New York City general agent. The affair will be held Feb. 22 in the Edgewater Beach hotel.

Mr. Whatley will welcome Messrs. Luther and Edwards, as well as the attending agents and members of the Chicago staff, and will introduce Mr. Edwards informally. C. E. Clinton, one of the agency leaders, will serve as morning chairman. Boyce Thomas, field group supervisor of Chicago, will discuss group insurance; H. R. Gordon, executive secretary Health & Accident Underwriters Conference of Chicago, will speak on health and accident. Maurice Chier of the Milwaukee general agency of the Aetna will conduct a sales demonstration on retirement income. A. P. Shugg, St. Louis general agent, will discuss and analyze an Aetna contract.

In the afternoon, F. S. Germond, another Whatley agency leader, will be chairman. Mr. Whatley will introduce Mr. Luther, who will talk on "Without Limitation." Mr. Edwards, who will be introduced by Mr. Luther, will speak on "Looking Ahead." L. O. Schriver, general agent Aetna at Peoria, Ill., will give an inspirational talk.

At a banquet that evening Mr. Schriver will be toastmaster. Messrs. Luther and Edwards will speak, and Mr. Whatley will sing his swan song. There will be a presentation by Arthur E. Hicks of a present to Mr. Whatley from the agency force outside Chicago, and by Herman Borchers, manager brokerage department, of a present of the Chicago force.

Palmer's First Communication

Illinois Superintendent Issues Instructions on Publication of Summaries of Annual Statements

Superintendent Palmer of Illinois, in his first official communication, has announced that publication of the summary of annual statements as required by the statutes of Illinois, hereafter should be arranged either by companies individually or through the insurance department, which will handle the transaction at actual cost, "which means, plainly and simply, the sum which the newspaper will charge, plus a reasonable charge for the time, postage, etc., necessary properly to handle the matter."

Mr. Palmer asked the companies to be particularly advised that no person is authorized to say that he now has "the approval of the insurance department" to act for the companies in this respect.

Mortensen Won't Put Out "Actual Value" Figures

MADISON, WIS., Feb. 16.—Commissioner Mortensen indicated that he is "not ambitious to disclose the financial condition of companies on the actual market valuation basis," when asked whether any publicity would be given to statements of companies to the Wisconsin department. The department requires the use of Dec. 31, 1932, values, rather than convention basis.

While these statements are open to inspection as public records in the insurance department, under the state law, the department will not send out such reports.

Many requests have been received

from other states for the records of companies on Wisconsin valuation requirements, but the commissioner says all of these have been refused.

Tower Tells A. & H. Men of Life Association Methods

Walt Tower, managing director Chicago Association of Life Underwriters, speaking before the Accident & Health Club of Chicago Monday, described some of the activities of his association which he thought might well be adapted to the accident and health field. He said that his organization has now been developed to the point where it is recognized as an authoritative source of information about life insurance and life companies. People have confidence in the medical society and the bar association as being really representative of those great professions, and the life underwriters association is endeavoring to put itself on the same plane as regards life insurance.

He said that in life insurance the two things which cause the most trouble are rebating and twisting and through its establishment of a central bureau the association has been able to cut down these practices very materially by cutting off the offending agents from their source of supply. He spoke of the advantages of association membership in bringing about a better acquaintance and fellowship and said that no complaint had ever been received in a case where one agent really knows the other.

He declared that life insurance men regard accident and health as very closely akin to their own line and are naturally interested in the success of the Accident & Health Club. He believes that club should have an office where information can be secured in regard to companies and also suggested the possibility of a bureau for the listing of agents, similar to that maintained by the life underwriters' organization.

A. O. U. W. Decision Interpreted

The decision of the Kansas supreme court in the A. O. U. W. case prohibits fraternal societies writing life insurance contracts which do not contain a provision whereby the society may apportion a reserve deficiency and either collect for it or charge it as liens upon outstanding policies. An earlier report of the decision indicated that the writing of level premium life insurance by fraternal was prohibited. The decision was made in denying the application of the A. O. U. W. to mandamus.

What seems to be the controlling feature of this case inheres in the fact that a fraternal benefit society has the right to increase its rates of assessment so that it may raise enough money to satisfy the just claims of its certificate holders. To require the commissioner to approve such a contract as this would violate the theory and purpose for which fraternal benefit societies are founded, the court stated.

Many States Ponder Moratorium Idea

(CONTINUED FROM PAGE 3)

Good, who has repeatedly advised the legislators that nothing enacted into law at this time can change the substantive rights of parties to existing loan contracts, and that legislation would merely make borrowing more costly and difficult in the future. While final action has not been taken, the indications points strongly to legislation seeking to extend moratoriums for as much as four years, but discretionary with the courts in individual cases, and to reduction of legal rate of interest to 6 percent and contract rate to 8 percent.

TEXAS COMPANIES IN PACT

Eighteen Texas life companies have entered an agreement that they will not

during the year 1933 foreclose any lien on any property occupied by any mortgager as the homestead of himself and family, rural or urban, on account of inability to pay.

The companies subscribing to this agreement are the Great Southern, Southwestern Life, Southland Life, American National, Amicable, Seaboard, United Fidelity Life, Gulf States Security Life, Southern Old Line Life, Fidelity Union Life, Harvester Life, Great National Life, Trinity Life, Republic Life, Western Reserve Life, Rio Grande National Life, Universal Life & Accident and National Standard Life.

In a statement over the signatures of these companies, all corporations and individuals are urged to adopt the same policy with reference to the enforcement of mortgage liens in Texas.

Promiscuous Foreclosure

Promiscuous foreclosure of real estate and mortgage liens at this time, the statement declares, would result in many families losing their homes in which they have substantial equities representing life time savings. The statement declares that the foreclosure of existing mortgages according to their terms cannot be prevented or postponed by legislative act. Relief must be the result of voluntary act of mortgagees.

As to mortgages on other than homestead properties, the companies stated it is their purpose to pursue their present policy of exercising the utmost leniency consistent with safety in investment. There may be cases in which inferior lien holders have foreclosed and taken possession of the property to secure the rents and revenues or the owner of the property may refuse to apply any of the rent or revenues to the payment either of interest or of taxes. Sometimes the land owner may abandon the property or refuse to cultivate it or in the case of city property, refuse to keep the improvements up. Other exceptional and unusual conditions may arise under which it will be necessary for the lender to secure possession of the property in order to protect its investments.

In the absence of such extreme conditions, the companies state that it will be their fixed policy during the period to avoid foreclosure proceedings.

EASTERN VIEW IS GIVEN

NEW YORK, Feb. 16.—One of the predictable consequences of the so-called moratorium on farm mortgage foreclosures is that, if a considerable portion of the mortgagors become accustomed to not paying the charges, they will be disinclined ever to start paying again, even when conditions improve, some insurance executives here believe.

DEFICIENCY JUDGMENT ISSUE

ST. LOUIS, Feb. 16.—The St. Louis Real Estate Exchange has declared its opposition to two bills now before the Missouri assembly which are intended to prevent the obtaining of deficiency judgments where mortgaged real estate is bid in at foreclosure sales for less than the amount of the obligation.

One of the bills proposes that whenever real estate is bought in at foreclosure, the obligations of the mortgagor shall be considered paid in full, while the second bill provides that when real estate is bid in at foreclosure sale for a sum lower than the total amount of the obligations, it shall be subject to redemption at any time within five years of the foreclosure sale, provided that notice of intent to redeem is filed within 30 days from the date of sale.

The Real Estate Exchange takes the position that they would make mortgages less popular as investments and cause interest rates on mortgages to go higher.

MOVEMENT IN GEORGIA

ATLANTA, Feb. 16.—Moratorium legislation on foreclosure of mortgages is being sought in the Georgia legislature and a resolution has been introduced in the senate asking judges of the state courts to defer action on trial

of cases which would have the effect of selling or disposing of real estate under mortgages. A bill has been introduced in the house suspending judgment on mortgage foreclosures and avoidance of foreclosures unless sale of such real estate and foreclosures be confirmed by the superior court judges.

Michigan Holiday Affects Insurance

(CONTINUED FROM PAGE 3)

igan. The Michigan Life is issuing checks as usual, subject to cashing at the end of the moratorium. L. T. Hands, general manager, believes there will be no increase in the demand for policy loans because of the moratorium. President S. A. Lambert, of the Agricultural Life, will continue to issue checks to meet obligations as they arise against the tied-up funds of the company in local banks.

A letter went out Tuesday from the Detroit Fire & Marine over the signature of President W. H. Koop, to the agency force, reading in part as follows: "This holiday period will not interfere with the payment of loss claims. All loss drafts issued within these dates will be drawn on our New York office and payable in New York funds."

The Central West Casualty and Wayne Surety are not inconvenienced, says Hal H. Smith, Jr., secretary-treasurer. The company's obligations are being met promptly with checks against funds on deposit outside of Michigan. The Standard Accident is suffering no ill effects, says Charles C. Bowen, vice-president and secretary, beyond the inconvenience of being unable to handle the banking in the usual way. The company has made arrangements to care for claim payments from funds on deposit in banks elsewhere about the country. The company had nothing on deposit with the Union Guardian group, whose difficulties precipitated the moratorium, nor has it any depository bonds guaranteeing the funds of this institution.

The Federal Life & Casualty, too, has sufficient assets outside of Michigan to carry it over the moratorium period. Agents have been instructed to take up checks written prior to the announcement of the moratorium and the company will replace them with those that are immediately cashable, says President V. D. Cliff.

Michigan representatives of non-Michigan insurance organizations—branch offices, general agents, local agents, etc.—telephoned and wired their principals for immediate dispatch of cash. Much of this money came from Chicago in \$1,000 and \$2,000 lots.

Fire and casualty companies fear that the moratorium will result in bringing to the front a new batch of balance difficulties. Balances due Feb. 15, of course, were not met, unless they had been met prior to the moratorium.

APPEAL MADE BY LIVINGSTON

LANSING, MICH., Feb. 16.—Appeals were sent out by Commissioner Livingston to all life companies operating in Michigan urging that they be lenient with Michigan policyholders during the present eight-day bank moratorium proclaimed by Governor Comstock. The commissioner asked that the period of grace for premiums coming due during the period, which expires Feb. 23, be extended, as it will be impossible for Michigan assureds to meet such obligations by check and in many cases will be difficult for them to obtain sufficient funds to make payments until their bank accounts again are available.

POLICY LOAN DEMAND

NEW YORK, Feb. 16.—Life companies here anticipate a sharp increase in demand from policy loans from Michigan policyholders because of the bank moratorium in that state.



Hundreds of "insurance books" . . . only *One* like this

It does not contain a discussion of policy forms, nor instructions on how to fill out an application. There is nothing in it about actuarial science or the mortality table. It does not seek to "educate" the agent by filling him full of information. Not that such information is not valuable, but because such is not the purpose of the NWNL Guide to Successful Life Underwriting.

The Guide presupposes that the NWNL agent who is to use it has completed the Company's primary training course and has already proved his ability to make a living in the life insurance business. Its purpose is to provide a selling procedure which will enable such an agent to climb to a higher level of selling and thus substantially increase his income.

To get the facts for this manual, early in 1932 NWNL retained the services of a nationally known sales research organization serving America's industrial leaders. This organization sent trained observers (not life insurance men) into the field with NWNL salesmen, who reported interviews verbatim and vividly described the scenes and circumstances affecting each case. This book, therefore, is based *not* on how salesmen say they sell life insurance but on how they actually do sell it.

It is in easy-to-read and easy-to-use form. It is a working tool for getting results. The NWNL Guide to Successful Underwriting is just one more proof of NWNL's superiority and leadership in the matter of agents' helps.



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LIFE INSURANCE COMPANY**

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THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York
E. J. WOHLGEMUTH, President

HOWARD J. BURRIDGE, Vice-President and General Manager

JOHN F. WOHLGEMUTH, Secretary

W. A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers
PUBLICATION OFFICE, A1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704
CINCINNATI OFFICE, 420 E. Fourth St., Tel. Parkway 2140. RALPH E. RICHMAN, Manager
ABNER THORP, Jr., Director Life Insurance Service Dept.

NEW YORK OFFICE

Room 803-123 William St.,
Tel. Beekman 2-3958

EDITORIAL DEPT.

GEORGE A. WATSON, Associate Editor
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BUSINESS DEPT.

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DES MOINES OFFICE

827 Insurance Exchange
R. J. CHAPMAN, Resident Manager

Subscription Price \$3.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

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LEVERING CARTWRIGHT, Ass't Man. Editor
FRANK A. POST, Associate Editor
CHARLES D. SPENCER, Associate Editor
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SAN FRANCISCO OFFICE
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Time for the Helping Hand

THESE are sensitive times. Most people are perplexed and bewildered. Many are disappointed and broken. The responsibility and tenseness of making a living and conducting businesses are notable. People are more nervously excitable and responsive to impulses than they have been. We are likely to jump at conclusions and take offense at insignificant things.

In the field of life insurance, business, of course, is more difficult to secure than it has been. Agents are working harder. They hear from call to call distressing conversation. Every man that seeks to find an excuse for not spending money is willing to assume a pessimistic attitude and unload the story of his difficulties on the agent.

Even the agents themselves may be on edge and say and do things that under normal conditions would not occur to them. In the strife for business we are apt to take an unwise and unjust attitude. There is a real call today for intelligence,

analysis and criticism. One company may have decreased its dividends and another not. A company may have secured a loan from the RECONSTRUCTION FINANCE CORPORATION and another not. Another may have increased its surrender charge and another not. One company may have valued its securities on a more exacting basis than another. One company may have more farm loans than another. One company may have a large number of railroad bonds that are in a precarious state and another company may have municipal bonds.

When one attempts to reflect on other companies when there is no just cause for criticism, the legal reserve system is attacked. There is not a single company but what has grave problems before it. Some are more fortunate than others. We are sailing on the same sea confronted with the same buffeting storm. If our craft is more seaworthy than another, let us not make it more difficult for the other to ride the waves.

Can Not Predict Net Cost

MUTUAL companies agree that it is dangerous to predict dividends when quoting annuity rates. Such estimates are purely guesses. Authorities agree that there are two factors working against the continuation of dividends that have been paid in recent years. In the first place, medical science and public health research are working to increase the length of life. In

the second place, it seems to be the opinion of the leading financial authorities that the interest return on long term investments is inevitably declining. In the past annuity rates have been reduced through liberal dividends. According to the best authorities lower cost through dividends or other means is highly problematical at this time.

Mind Should Be a Workshop

DR. W. A. GRANVILLE of the WASHINGTON NATIONAL INSURANCE COMPANY of Chicago says that it is not enough that the mind be a storehouse. It should be a workshop. There is much truth in that bit of epigram. Most of us do not think as

we work. We become mechanical and after a while we are mere automatons. One's thinking apparatus should be in fine fettle, never rusty, always alert and active. The more we think the stronger mentally we become.

Building Substantially

THESE are days when the acid test is being applied. Agents may seek to secure business through acquaintance, pull, influence, etc. Yet after all a policyholder is much more interested in knowing that his insurance has been written correctly

and in a way that will avoid difficulties and complications in the future. The agent who knows his business, his contracts, who appreciates his responsibility and who is able to counsel his assureds intelligently builds up a substantial lot of customers.

PERSONAL SIDE OF BUSINESS

R. L. Daniel of Victoria, Tex., whose appointment as life insurance commissioner and chairman of the Texas board of insurance commissioners was recently confirmed by the senate, took office Feb. 11. He succeeds W. A. Tarver, who retired to resume the practice of law. Mr. Tarver had served since May 1, 1929.

Mr. Daniel was formerly commissioner, having been appointed by Governor Ferguson during her first term in 1925.

The Imperial Life of Asheville, N. C., held a special state-wide ordinary life production campaign the week of Feb. 6 in honor of A. W. Ek, one of the founders of the company, and now secretary and manager of the ordinary department, who is also policyholder No. 1. Mr. Ek observed his birthday anniversary Feb. 12.

Frederick White, senior associate manager of the White & Odell agency, Minneapolis, Minnesota state managers for the Northwestern National Life, sailed early in February on a two months' Mediterranean cruise.

J. Charles Rietz, actuary of the Midland Mutual Life, is recovering at the University hospital in Columbus, O., from an emergency operation for appendicitis. Mr. Rietz' son, Lewis, was graduated from the University of Iowa last month and intends to take up actuarial work, following the footsteps of his father.

H. W. Gennerich of the Doremus agency of the Guardian Life in New York City, died last week. He entered the field in July, 1914, and for some time was among the leading producers of the Guardian Life. He was the first president of its Leaders' Club. In 1923 he withdrew from insurance to a large extent and devoted himself to outside interests. Last year Mr. Gennerich announced his return to the field.

J. T. Traylor, general agent Northwestern National Life, Indianapolis, has been selected again to conduct a class in salesmanship in the Y. M. C. A. night school. Mr. Traylor has had 20 years' experience in teaching and conducting sales work.

James L. Clark, Oshkosh, Wis., has been awarded the president's cup awarded annually by the Wisconsin National Life of that city to the agent who placed the greatest volume of insurance with the company for the fiscal year. This is the first time the trophy has gone to an Oshkosh agent.

Dr. L. A. Warren, historian of the Lincoln National Life and director of the Lincoln National Foundation, Fort Wayne, Ind., gave three talks in Milwaukee Friday on Abraham Lincoln. Arrangements for the addresses were made by Hugh M. Holmes, Milwaukee general agent of the Lincoln National.

Albert Sahm, secretary-treasurer State Life of Indianapolis, was 74 Feb. 14. A family fathering honored the anniversary. He has been prominent in civic affairs, serving as county commissioner, as county auditor and postmaster of Indianapolis. Mr. Sahm goes to his office daily and none is more punctual or conscientious.

Ernest W. Owen, Detroit manager Sun Life of Canada, has been in constant demand as an inspirational speaker of late. He recently addressed 85 executives of the Detroit City Gas Company, talked to several father and son groups and luncheon clubs, gave an address Feb. 13 on Abraham Lincoln to the combined agency forces of the State Mutual, Great-West, Home Life and

Sun Life Detroit agencies, and on Feb. 18 will address the Alabama sales congress at Birmingham.

After an illness of more than three years, George W. Gore, 79, died at his home in Morristown, N. J., last week. He had been with the Prudential for 40 years, starting as a clerk, and at the time of his retirement in 1928 he was supervisor of the welfare department. He was a brother of Vice-president John K. Gore of the Prudential.

Agents of the Missouri State Life, who honored Vice-president J. J. Parks Jan. 10-19, recorded a gain of 118 percent over the new life business written the first nine days of January.

E. N. Lupfer, 71, one of the organizers of the Ohio State Life 37 years ago and a director ever since, died at his home in Springfield, O., Sunday evening. The funeral, which was held Wednesday afternoon, was attended by officers of the Ohio State.

A. W. Van Houten, president Iowa State Association of Life Underwriters, spoke at the monthly meeting of the junior department of the women's club of Davenport, Ia., on "The Value of Insurance to Women."

The Kansas City "Star" recently published a feature story about an eccentric hermit, Thomas A. Kincaid, who dwells in the Atherton hills, and who recently took \$26,000 savings he had kept in tin cans beside his bed and invested it in an annuity with the Lincoln National Life. The sale was made by Wiley E. Pendleton, general agent in Kansas City, Mo., for the Lincoln National. Now, according to the Kansas City "Star," Kincaid is composing poetry as to the value of insurance. For instance:

No misanthrope can exist, indeed,
When assurance for all worldly need
Is secured by a policy most fair.
In the Lincoln National to share.

E. Z. Wallerstein, 62, an agent of the Equitable of New York in Chicago for 30 years and consistent million dollar producer, died of angina pectoris. The funeral services were held Monday and burial was in Mount Mayriv cemetery. He was connected with the H. F. Berls agency, which he joined about 12 years ago while Mr. Berls was resident supervisor in Chicago, and recently on his 30th anniversary with the company was tendered a dinner by that agency. Formerly he belonged to the old B. J. Sinai agency in Chicago.

Martin P. Kennedy of Scranton, Pa., district manager for the Mutual Life of New York, recently addressed a meeting of the Women's Century Club of Scranton on educational insurance. He expounded the fundamentals of life insurance in lucid fashion and told of its performance in the depression.

David Barry, sergeant-at-arms of the United States Senate, who was excommunicated by that body because of the article he contributed to the "New Outlook," is a brother of James Victor Barry, former third vice-president of the Metropolitan Life, who is now connected with the Life Extension Institute.

Confined to his home through illness, E. H. L. Gregory, San Francisco general agent Aetna Life and first president of the San Francisco Life Underwriters Association, was unable to be present at the leaders' dinner. President Sullivan appointed a committee of three to frame a telegram to Mr. Gregory expressing the regret of the association at his illness and its hope for his early and complete recovery. The committee consisted of B. F. Shapiro,

A. S. Holman and A. V. Bayley, Jr., all past presidents of the organization. Paul DeLos of the Gregory agency, one of the honored leaders of the San Francisco association, who has just completed 31 years of active service with the Aetna, also was unable through illness to be present at the dinner, but was the recipient of congratulations from the more than 400 underwriters at the dinner.

F. W. McIntosh, Chicago manager for the Monarch Life, has been elected president of the 1933 Grotto Convention Association, which will have charge of entertaining the International Grotto meeting in Chicago, June 25-29. This is expected to be one of the largest conventions of the year. Mr. McIntosh has long been prominent in Masonic affairs.

F. L. Hildebrand, Kansas City general agent of the Abraham Lincoln Life, got together an exhibition of Lincolniana which was on display the week of Feb. 13.

The most important of the exhibits is a hitherto unpublished letter from Lincoln to Gen. J. J. Hardin, dated May 29, 1841, at Springfield, Ill. The letter was contributed by R. W. Greenleaf, North Kansas City, Mo., a policyholder of the company.

Among the other exhibits is a copy of the New York "Herald" of April 15, 1865, carrying the news of the assassination and death of President Lincoln; a copy of the "Royal Messenger," Kansas City, Mo., carrying the same news; one of the two steel engravings extant showing the Lincoln home in Spencer county, Ind., and a Democratic ballot of 1861, carrying the names of S. A. Douglas and H. V. Johnson.

Members of the agents' association of the Rochester office of the Equitable Life of New York have started a 20-day observance of the 20th anniversary of the founding of the agency by **Warren S. Parks**, its first and only manager. Business sold by the agency in the 20 years amounts to \$48,000,000. Mr. Parks went to Rochester from Syracuse. He is secretary of the eastern department of the Equitable Managers Association and a past president of the Rochester Life Managers Association and the Rochester Life Underwriters.

W. B. Harrison, president Kentucky Home Life and mayor of Louisville, after several weeks in a hospital following a breakdown suffered at his office, returned to his home Feb. 12 and was reported planning a further rest in Florida.

NEWS OF THE COMPANIES

Old Colony Assets Shrinking

Bank Sues to Foreclose on Home Office—Receivers File Answer to Ouster Suit

The Continental-Illinois National Bank & Trust Co., as trustee of a defaulted bond issue, has brought suit to foreclose on the Old Colony Life building at 166 West Jackson boulevard, Chicago. The suit is in circuit court of Cook county and is directed against Alvin Keys, receiver for the Old Colony.

Principal and interest payments of \$79,000 have not been paid and taxes are two years in arrears.

As the receivership progresses, it becomes increasingly apparent that there will be little if any distribution to policyholders from the assets of the Old Colony, much of which consists of Florida lands.

The Life & Casualty of Chicago reinsured the business of the Old Colony, placing a 100 percent lien against the business. The amount of the lien is deducted in the event of death.

Receivers Keys and J. A. O. Preus have filed an answer to the suit of George D. Kimball, who is asking the appellate court to oust them as receivers and set aside the decree awarding the Old Colony reinsurance to the Life & Casualty.

The answer admits that the Life & Casualty has assets of \$1,910,516 as compared with assets of \$18,540,723 of the Illinois Bankers Life, which also submitted a proposal. However, the receivers assert the Life & Casualty has superior financial strength, because of the assets of the Illinois Bankers only \$1,503,077 is available for protection of policyholders and on that basis the Illinois Bankers has written \$90,000,000 of insurance. Out of the Life & Casualty assets, according to receivers, there is \$1,588,001 available for policyholders' protection and the Life & Casualty is carrying only \$15,000,000 of insurance.

The Kimball action asserts that the Life & Casualty, in offering \$35,000 for the Old Colony business had used more than 70 percent of the \$52,000 cash on hand. The answer states that the Life & Casualty has not yet paid the \$35,000. During the five months the Old Colony has been in receivership, the policyholders have continued to pay their premiums to a sum now exceeding \$48,000 and this money is being deposited in a trust fund. When the Kimball case

is settled, the \$48,000 will be transferred to the Life & Casualty and that company will then gain the difference between the \$35,000 cash it offered and the \$48,000 in the trust fund.

The receivers state that the Life & Casualty originally offered \$50,000 for the business, but reduced the offer when the Kimball suit threatened to delay the contract. Other companies, the receivers state, have attempted to rewrite as much of the Old Colony business as possible, some of the companies even stationing agents in the Old Colony building to buttonhole Old Colony policyholders.

Northern States Situation

Nothing has been done with the Northern States Life of Hammond, Ind., which is in receivership. John W. Northland, as receiver, has several propositions under consideration. Probably a time for receiving proposals for reinsurance, etc., will be fixed and then an attempt will be made to analyze them before accepting any.

Tulsa Companies Licensed

The Acme Life and the Imperial Life, which have been in the process of organization at Tulsa, have been licensed by the Oklahoma department.

Tennessee Receivership Ended

A decree terminating the ancillary receivership in Tennessee of the Kentucky Home Life has been entered in Nashville, Tenn., chancery court. Joseph Martin was the ancillary receiver.

McCarter Named Supervisor

G. S. McCarter of Birmingham, Ala., has been appointed home office supervisor of the ordinary department for the American National of Galveston.

For several years, Mr. McCarter was a producer and then a supervisor for the Aetna Life. He also served several years as superintendent of agencies for an Alabama life insurance company.

F. R. Fisher Vice-President

Floyd R. Fisher has been advanced by the American Central from assistant to the president to a vice-presidency. Mr. Fisher's early business experience was gained with the Prudential and the Security Trust Company of Indianapolis. In 1920, he joined the agency depart-

MUTUAL TRUST

LIFE INSURANCE COMPANY



"AS FAITHFUL AS OLD FAITHFUL"

28th Annual Statement December 31, 1932

ASSETS

CASH:

U. S. Bonds and Notes \$603,753.64
Deposits in Banks 553,553.05 \$ 1,157,306.69

BONDS:

State, County and Municipal 3,247,584.62
Public Utility 4,150,753.10
Railroad 1,457,524.63
Industrial 349,860.76

FIRST MORTGAGE LOANS:

City Loans 5,507,949.27
Farm Loans 4,185,975.31
Policy Loans and Premium Notes 7,357,745.19
Real Estate 2,512,495.00
Due and Deferred Premiums (Net) 917,150.31
Interest Due and Accrued 670,146.15

TOTAL \$31,514,491.03

LIABILITIES

Legal Reserves to protect policy contracts \$27,210,681.00
Death Claims due and unpaid None
Claims reported but proofs of loss not received 154,019.89
Premiums and interest paid in advance 260,006.45
Reserve for taxes and expenses payable in 1933 154,851.46
Policyholders dividends on deposit 1,327,882.58

ADDITIONAL RESERVES:

For future dividends \$ 613,503.67
Special Contingencies Reserve 700,000.00
Unassigned Surplus 1,093,545.98

Gross Surplus \$2,407,049.65

TOTAL \$31,514,491.03

CONSERVATIVE INVESTMENT PRACTICES

The Company makes no loans on collateral, and does not invest in stocks. Its Real Estate mortgages number 1226, averaging less than \$8,000 each, and no loan is for as much as two-tenths of one percent of the Company's assets. Excluding U. S. Government obligations, bond investments consist of 444 different issues, averaging less than \$25,000 per issue, with no holding in excess of three-tenths of one percent of the assets of the Company.

SOME MUTUAL TRUST STATISTICS

	Three Ordinary Years 1924-1925-1926	Three "Boom" Years 1927-1928-1929	Three "Depression" Years 1930-1931-1932
Total Income	\$14,198,163	\$19,519,339	\$23,037,081
Increase in Assets	6,634,669	8,228,743	5,710,033
Dividends Paid to Policyholders	1,168,958	1,800,950	2,764,236
*Net Rate Earned on Assets	5.7%	5.3%	4.7%
*Actual to Expected Mortality	48.7%	45.9%	44.2%

*Three Year Average

IN 1932

Paid Deceased Policyholders \$ 1,062,467.07
Paid Living Policyholders 3,588,936.92

Total Paid Policyholders \$ 4,651,403.99
Total Payments to Policyholders Since Organization \$ 28,594,382.31

INSURANCE IN FORCE \$170,061,512.00

ment of the American Central and in four years was placed in charge of the department's clerical staff with the title of agency secretary. In 1925 he was placed on the office management committee, but later resigned to devote full time to agency problems. He was made a member of the executive committee in 1929 and elected to the board in the same year. He was made assistant to the president in 1931.

Canada Life Promotes Hastie

William Hastie has been appointed assistant general manager and treasurer of the Canada Life. Mr. Hastie has been assistant to President Leighton McCarthy for several years. He joined the Canada Life in 1923 as manager of the investment department in Montreal

and went to the head office two years later as western loan supervisor.

Aetna Life Promotions

Dr. J. E. Root, medical director of the Aetna Life, was made honorary medical director Tuesday and Dr. Donald B. Cragin, associate medical director, was named his successor. Stanley Withe was named manager of the accident and liability publicity department. J. C. Duncan and B. P. Fleuret were appointed assistant comptrollers. All other officers and directors were reelected, as were those of the Aetna Casualty and Automobile of Hartford.

Joins Lamar Life Medical Staff

Dr. J. E. McDill of Jackson, Miss., has been made associate medical director

of the Lamar Life. Dr. McDill, for ten years a heart and lung specialist for the U. S. Veterans Bureau in Mississippi, is a graduate of the University of Tennessee and did post-graduate work at Harvard and at the Mayo Clinic.

North American Life Election

D. E. Kilgour, general manager of the

North American Life of Toronto, has been elected a director. F. A. Rolph and A. J. Mitchell, both of whom have been on the board for some time, have been elected vice-presidents.

The Bankers Life, Neb., has revised its statement figures which were published Jan. 27 to read: Admitted assets, \$41,611,970; increase, \$331,682; surplus, \$2,768,608.

LIFE AGENCY CHANGES

Cousins Joins Van der Wolk

Becomes Associated at Springfield, Mass., with General Agent of State Mutual

The State Mutual has appointed W. C. Cousins to be associated with W. W. Van der Wolk as general agents for western Massachusetts with headquarters in Springfield. Both have had wide life insurance experience.

Mr. Cousins has a reputation as an agency builder. He started as an agent with the Aetna Life in 1925, in 1926 became agency assistant, and a year later, division superintendent. In 1930, he was appointed general agent for the Aetna. Mr. Cousins entered Dartmouth College. His college course was interrupted by active service in the world war. He later returned to Hanover to secure an A. B. degree in 1923.

Mr. Van der Wolk saw active world war service in the naval air forces. Following his graduation from Harvard, he entered life insurance in 1919. His early experience as soliciting agent and supervisor, led to his association with the State Mutual as general agent in 1928. He has devoted all of his business life of 14 years to life insurance. The new offices are in 704-6 Third National Bank building, Springfield.

E. G. Barnett, A. F. Goldenbogen

E. G. Barnett and A. F. Goldenbogen have been appointed general agents in Cleveland for the Ohio National Life. Mr. Goldenbogen has operated a fire and casualty agency for a number of years and is well known in Cleveland. Mr. Barnett is a well-known business man in other lines, having but recently joined the Goldenbogen organization.

This firm will operate under the name of Barnett & Goldenbogen. Mr. Barnett will have charge of the life department and will organize a life department agency force.

This gives the Ohio National two general agencies in Cleveland, the other known as the Cleveland Agency in the Ninth-Chester building, of which C. F. Wetzel is general agent and R. E. Jackson agency manager in charge of agency development.

W. R. Carrick, E. H. White

The Aetna Life has appointed W. R. Carrick to succeed E. H. White as general agent at Worcester for central Massachusetts. Mr. White becoming associated with the new Luther-Keffer agency in New York City. The change is effective March 1. Mr. Carrick is a native of Worcester. He qualified his first year in the business for the Aetna's annual convention of leading producers, and has qualified for every convention since. He has had broad training in handling estate problems.

F. E. Carroll

The Hamilton National Life has appointed F. E. Carroll, insurance broker and real estate man of San Francisco, general agent for San Francisco, Alameda and San Mateo counties. Mr. Carroll has been engaged in the insurance brokerage and real estate business in San Francisco since 1924.

National Life Makes Change

Crolley Named in Cincinnati, Kreighbaum in Pennsylvania and Swiger in West Virginia

The National Life, U. S. A., has made several appointments. B. F. Crolley, Jr., becomes general agent for the section of southern Ohio surrounding Cincinnati, which is his headquarters. He has had seven successful years in life insurance, of which six were with a leading company.

J. A. Kreighbaum becomes agency manager in central Pennsylvania. All of his business life has been in life insurance.

D. L. Swiger becomes agency manager in northern West Virginia with headquarters in Clarksburg. He has had 15 years' life insurance experience, all with a very large company. He is a native of West Virginia.

M. I. Condon, L. T. Kagawa

The Occidental Life of Los Angeles has appointed M. I. Condon and L. T. Kagawa general agents for the Hawaiian Islands, operating as the Trust Agency, Ltd. Mr. Condon has been with the Bishop Insurance Agency there and has had eight years' experience. Mr. Kagawa is of Japanese descent, has lived in Hawaii about ten years and has been assistant manager of the insurance department of the International Trust Company.

W. P. Graham

The Occidental Life of Los Angeles has appointed W. P. Graham supervisor in charge of the development of South Dakota with headquarters at 490 Citizens Bank building, Aberdeen.

P. W. Ward, A. H. Clay

P. W. Ward, superintendent of agencies of the Sun Life of Montreal, goes to Moorgate branch, London, Eng., as manager. He joined the Sun in 1923, prior to that being Canadian trade commissioner.

A. H. Clay, for the past two years a member of the head office staff of the Sun Life, has been appointed manager in Birmingham, Eng. He is a native of London. He started with the London Guarantee & Accident home office. He served as accident superintendent at the head office of the Gresham Fire & Accident. He has been at the Sun Life head office since October, 1930.

Life Agency Notes

Lloyd S. Brown, veteran building and loan operator at Hutchinson, Kan., has been named general agent there for the Bankers Life of Lincoln.

Glenn A. Scott, Fargo, Equitable Life of New York, has been named field assistant, succeeding M. D. Trisko, recently transferred to Minneapolis as branch manager.

The Liberty National Life of Birmingham, has appointed the following Texas general agents: W. E. Swain, Laredo; J. J. Jaresh, Yoakum, and A. J. Stenzel, Houston, and M. R. Garner, Victoria.

Martin J. Slominski of Chicago has been made superintendent of Buffalo No. 4 of the Prudential. He started as an agent in November, 1916, in Chicago No. 8. In December, 1921, he was made assistant superintendent.

CLU Candidates :: Life Underwriters :: Study Groups

If you are preparing for the June Examination you will want to acquire the maximum amount of necessary information with a minimum amount of effort. If you are an underwriter, you will want to increase your knowledge of Insurance Procedure, Practice, etc. We have an outline consisting of four books, which will be found indispensable to either the CLU Candidates or to Life Underwriters desiring to further their insurance knowledge. This outline reduces the 20,000 or more pages of printed matter in the list of books recommended to about 500 pages—separating the essentials from the non-essentials. While the limited number of sets which we have on hand last, we will include an additional book giving all the official questions and answers for the past three examinations. Send us your check for \$7.50—if after examining this outline for five days you find it is not worth many times what you paid for it, return same to us and your money will be refunded.

D. Bearkan P. O. Box 154 New Haven, Connecticut

Consider these Advantages:
A Mutual Company
... 37 years old ...
progressive ...
genial home ...
consolidated ...
well established ...
enough to offer real
opportunity. That's
CENTRAL LIFE
Insurance Society
(Mutual)
DES MOINES IOWA

LIFE COMPANY CONVENTIONS

Texans Lamar Life Winners

Carry Off Honors at Conference of General Agents of Southern States, Held at Jackson

Texans won most of the Lamar Life honors awarded at the conference of general agents in Jackson, Miss. The trophies presented by Dr. J. O. Segura, vice-president and agency director, at the conference banquet were: Agency plaque to C. L. Mansell, Waco, Tex., for the greatest amount of paid-for business per agent during the contest; medals to Brady Bartlett, Houston; Emil Pesek, Yoakum; E. Reddrick, San Antonio, and C. L. Mansell, Waco, leaders in their respective groups, based on previous production and years of service with the company. Mrs. Jennie D. Randle, Mobile, Ala., one of the winners of a medal, was not present for her award.

The conference, attended by general agents from six southern states, it was announced, will hereafter be an annual event. In addition to Dr. Segura, who took an active part on the program, those who addressed the conference were: Jesse Bouds, president; P. K. Lutken, executive vice-president; A. E. Babbitt, vice-president and actuary; W. D. Owens, vice-president and secretary; T. B. Harrison and Harry O'Steen, agency superintendents; Rex B. Magee, advertising manager; W. L. Mistrot, underwriter, and R. B. Schlatter, Greenwood, Miss., a director and district manager.

Governor Conner of Mississippi and Commissioner George D. Riley were also on the program.

"The record of life insurance companies of America the past two years has excited the admiration of the people," said the governor. "I believe this year will witness a definite change for the better."

"Life insurance has proven more stable during the collapsing years than any other financial institution," said Commissioner Riley, who also told some of his famous negro stories that attracted so much attention at the commissioners' meetings in New York and Dallas.

Bankers National Meeting

The 1933 Master Producers Club of the Bankers National Life of Jersey City will hold its annual convention the week of Feb. 20 at St. Petersburg, Fla. The meeting will be opened by H. J. Baker of Revere, Mass., president of the 1933 club, and leading producer. Myer Greenberg of Hartford will officiate as vice-president. The contingent from the east, headed by R. R. Lounsbury, president, and W. J. Sieger, superintendent of agencies, will leave Jersey City in a special car, to be joined in Florida by the western men.

Mutual Trust Convention

The annual convention of the Old Faithful Club of the Mutual Trust of Chicago will be held in Chicago Aug. 29-31. C. S. Geary, Chicago general agent, through his personal production qualified as president of the club, having led the country in paid first year premiums in 1932.

William Skolnick of the J. H. Ehm agency of Connecticut is vice-president and H. E. Beckman, general agent in Rockford, Ill., treasurer. Members of the "Organization Club" are Mr. Geary, G. A. Hatzes of New Hampshire, S. P. Hedman and Israel Kaplan of Massachusetts; O. W. Schmitz, Wisconsin; Brandt & Co., Illinois, and Mr. Ehm. The club members will be guests of the company at the Century of Progress exposition.

Provident Mutual Gathering

General Agents' Group in Annual Convention in South—President Linton Optimistic

The annual convention of the general agents' association of the Provident Mutual at Edgewater Park, Miss., was featured by addresses by home office officials, general agents, and H. G. Kenagy of the Life Insurance Sales Research Bureau. New plans of prospecting and selling were outlined. There was strong belief that the wonderful record of life insurance during the depression created opportunities for present and future progress that could not have been foreseen in boom times.

President Linton made the principal address, tracing the company's record through 1932, analyzing the annual statement and painting opportunities. Three home office officials discussed various management problems, Henry Bossert, Jr., manager agency research department, and E. W. Marshall, vice-president and actuary, speaking on conservation, and F. P. Todd, vice-president and insurance supervisor, holding an underwriting clinic on borderline cases.

Home Office Services

Modern prospecting was the theme the second day. N. A. White, in charge of advertising, outlined prospecting services in operation at the home office. Advertising inquiries and other services produced nearly 100,000 leads for Provident agents last year. Practical prospecting plans were discussed by L. F. Paret, Philadelphia, and J. H. Cowles, Los Angeles. W. K. Wise, Reading, Pa., also spoke on prospecting.

General agents approved a prospecting plan announced by F. C. Morss, manager of agencies, who set a quota of 40,000 new prospects for Provident Agents in the next four weeks. C. H. Furr, vice-president of the association, was chairman the third day. Several speakers outlined modern presentations, including E. A. Farrington, agency assistant; G. N. Quigley, Denver; A. A. Heald, Milwaukee, and Paul Loder, Philadelphia.

Time Control Stressed

C. D. Connell, New York, and H. G. Kenagy, Research Bureau, presented actual experiences of time-control aimed to increase time spent in active solicitation. W. D. Cross, assistant manager of agencies, led the discussion.

M. L. Williams, assistant manager of agencies, recapitulated the training program on the fourth day. First and second year men produced only a fifth of the business in 1930, but were responsible for a fourth in 1932.

Charles Tushingham, educational supervisor, announced plans for educational aids to veterans. H. G. Kenagy spoke on "Training and Educational Methods of Today." A banquet followed.

In a short session the last day, President Linton spoke on "Carrying On in 1933," expressing faith in the future of the country and specifically of great railway systems. "The underlying bonds of our great railway systems are bound to come through," he said. "When all has been said, the business of the country can not be carried on without the railroads. They are absolutely essential, and the country is coming to realize it."

Mr. Linton also pointed to the danger that proposed plans of currency inflation would probably defeat their own ends by destroying public confidence and thus paralyzing credit. Such inflation, he said, is frequently attended by the hoarding of gold, which in itself produces a direct antidote to any temporary stimulus that might be obtained by diluting the currency.

The association elected the following

THE STORY IN FIGURES of the LINCOLN LIBERTY LIFE INSURANCE COMPANY Lincoln, Nebraska

CONDENSED STATEMENT, DECEMBER 31, 1932

RESOURCES

*U. S. and Municipal Bonds.....	\$2,243,477.84
*Corporation Bonds and Other Resources.....	392,895.60
Mortgage Loans	341,166.41
Cash in Banks.....	129,467.85
Renewal Premium Notes.....	139,164.51
Policy Loans	680,139.87
Accrued Interest	56,831.42
Uncollected and Deferred Premiums.....	183,345.70
Total	\$4,166,489.20
Less Credits Thereon.....	31,608.17
Total Admitted Resources.....	\$4,134,881.03

*Amortized basis.

LIABILITIES

Policy Reserves	\$3,105,772.96
Disability Reserves	123,846.02
Premiums Paid in Advance.....	50,867.96
Supplementary Contracts	44,391.50
Special Reserves	189,000.00
All Other Liabilities.....	89,857.75
Capital Stock	100,000.00
Surplus (Assigned)	233,760.15
Surplus (Unassigned)	197,384.69
Death Claims (Pending).....	NONE
Borrowed Money	NONE
Total Liabilities	\$4,134,881.03

New Business and Revivals during 1932....\$ 6,025,000.00
Total Insurance in Force, Dec. 31, 1932..... 23,664,040.90

This Statement shows approximately \$1,133 in Resources for each \$1,800 of Liability to Policyholders.

Every policy loan demanded, every death loss and every other policy obligation has been promptly paid and without borrowing a single dollar or selling a single security.

Our policyholders, our salesmen, our stockholders and directors are proud of this statement. The managing officers of the company are interested only in the growth and soundness of this institution.

Drifters

from first one organization and one job to another organization and another job may gain much experience, but they endanger the morale of their more reliable associates and leave behind only painful memories.

"Birds of passage" are a detriment to the institution of life insurance and a source of constant trouble, dissatisfaction, and expense. The poor workman quarrels with his tools and the inept salesman is quick to blame his lack of progress upon his company—blind to his personal failure as against the success of others connected with the company that he forsakes.

Stick to your company, as you expect it to stick to you, for "the place to make good is right where you are!"

AMERICAN CENTRAL LIFE INSURANCE COMPANY INDIANAPOLIS, IND.



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

*A Dollar's worth for every Dollar paid
regardless of kind of policy purchased*

A \$1,000.00 Endowment Policy, any age at issue, guarantees \$1,961.54 plus Dividends in event policy becomes a claim the year it matures.

Our Twenty Payment most remarkable policy of all—too much to write about in this advertisement.

We have Ordinary with and without Cash accumulation. Without cash value it furnishes Pure Protection Life insurance at non-participating rates but on a participating basis—it is estimated dividends will amount to 50% within a few years, based on actual experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endowment from birth, with all the fine features of our Adult Policies. Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri.

INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance

Ten East Pearson Street : : : Chicago

NEW JERSEY

NEW YORK

INDUSTRIAL—INTERMEDIATE

The Colonial Life Insurance Company OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

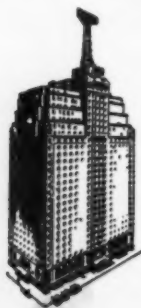
Ordinary — Group

*"A Good Company To Represent
—Represent a Good Company"*

PENNSYLVANIA

CONNECTICUT

IN THE HEART OF NEW YORK



"Convenient to Everything Worthwhile"

● One block from Times Square—surrounded by fine shops, towering office buildings and scores of good theatres. Private indoor entrance to the world's largest subway station. Yet THE LINCOLN, with its 32 stories of fresh air and sunshine, offers you quiet comfort at all times. Each of the 1400 rooms has bath and shower, servitor and radio.

From \$3 single \$4 double

RESTAURANT : GRILL : COFFEE ROOM
John T. West Manager

HOTEL LINCOLN

44th STREET to 45th STREET • 8TH AVENUE • NEW YORK

Under New Management — A RELIANCE HOTEL

officers: President, Paul Loder, Philadelphia; vice-president, Spiller Hicks; secretary-treasurer, J. Stinson Scott, Rochester; auditor, F. W. Wood, Brooklyn, and members of the executive committee, E. S. Albritton, Chicago, and Willard Ewing, Kansas City.

Equitable Group Field Men to Hold Convention in East

Some 125 field men of the Equitable of New York from all over the country will meet at the Lido country club, Long Beach, L. I., Monday, for a two-day convention. Vice-president W. J. Graham will preside and E. J. Murphy, sales supervisor in charge of the eastern half of the country, operating out of the home office, and J. A. Patton, associate

sales supervisor of Chicago in charge of the west, will take a leading part. M. E. Horelick, director of group annuities at the home office, will talk, as will G. T. Fonda of Chicago, field director of annuities. Among subjects to be discussed will be: "The Group Supervisor; His Job"; "The Sales Value of Service to Policyholders"; "Conservation of Business, the Foundation to Future Sales"; "Factors in Success"; "Sales Organization"; "Performance as a Test of Organization"; "Successful Methods of Interesting Agents in Group Production"; "Intelligent Selective Prospecting." Pension plans and sales value of sound underwriting also will be developed.

The southern division outing and sales conference of the agents of the Minnesota Mutual Life will be held May 20-23 at a mountain resort near Kerrville, Tex.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

OPENS NEW MEDICAL BUREAU

The Prudential has opened a medical referee's office in downtown New York City. The new bureau, under the direction of Dr. Paul E. Carlisle, will be located in the Westinghouse building, and will have charge of all medical examinations in connection with the Prudential's business in greater New York.

Dr. J. A. Patton, medical director of the Prudential, also has announced a new method of supervising medical examinations throughout the Prudential field, outside of New York and larger cities. One of the examiners in each city will be designated as chief medical examiner for that territory. He will assign other examiners and will have direct supervision of their work. The company contemplates no change in the method of examining applicants for industrial insurance.

GUY LYMAN'S CONTRIBUTION

"Your Will Be Done," an article on business insurance, by Guy S. Lyman, representative in New York of the Aetna Life, appears in the February issue of "Credit and Financial Management." Mr. Lyman treats the subject of business insurance generally, but with particular stress on the angles that are of interest to credit executives.

For example, on the alternative to business insurance, the borrowing of money to liquidate a deceased partner's interest, Mr. Lyman says, "As for the expediency of borrowing, it is well to remember that when application is made

for a loan of this nature one is apt to discover that the creditor will point out a distinction between loans made for credit purposes and those made for capital purposes. Since a loan made under the conditions in question would certainly fall in the latter category, the stock of a close corporation or an assignment of partnership or sole proprietorship interests would, in most instances, be unacceptable as collateral. Under either of these methods (the other being the use of a sinking fund) too much is left to chance. There remains but one medium that will guarantee the fulfillment of the business trust agreement—life insurance."

In illustrating his statements Mr. Lyman uses a diagram from "Business Insurance," by Leon G. Simon, published by THE NATIONAL UNDERWRITER.

HELPS THE LIFE MEN

Recent cuts in the interest rate on savings bank deposits have given life underwriters a new selling tool. Agents are using this action to good advantage in bringing out the merits of life insurance investment. Also it is believed that many savings bank depositors will be looking for a form of investment that will give a better yield than the 3 percent now given by the banks. Until 1931 the rate was 4½ percent and until the recent cut was 3½ percent. There is considerable speculation as to the possibility of a cut to 2½ percent, as the banks are apparently interested in reducing rather than increasing their deposits.

AS SEEN FROM CHICAGO

BESSER'S FATHER DIES

E. E. Besser, Jr., Chicago general agent for fire and casualty companies, and for the Lincoln National Life, is bereaved by the death of his father, of New Rochelle, N. Y. He and his brother, R. T., who is associated with him, attended the funeral in New Rochelle. Their mother survives.

DR. VAN ARSDALL OPENS SCHOOL

Dr. G. B. Van Arsdall will start a two weeks' advanced school in the Chicago organization of the Equitable of New York on Feb. 27. This course will take up business insurance, annuities, estate programming, etc.

JOHNSON & HIGGINS INCREASE

An increase in both written and paid business for 1932, over the previous year, is reported by the Chicago life department of Johnson & Higgins, general agents for the Prudential. This office is under the supervision of E. H. Dooling, manager, who has been in charge of the life insurance activities in the Chicago area since the opening of the department

in 1928. Under his supervision the Chicago office has obtained a fine volume of business and has developed into a steadily increasing producing unit.

SUPERVISORS TO MEET

The Life Agency Supervisors Association will be addressed Feb. 23 by John Morrell, millionaire producer of the Lustgarten agency of the Equitable of New York in Chicago, on "Time Control." This subject then will be discussed in an open forum.

LUSTGARTEN AGENCY LEADS

The Samuel Lustgarten agency of the Equitable of New York in Chicago, with \$10,985,510 paid business in 1932 and first year premiums \$364,000, won the Illinois agency leadership for the Equitable. In January the agency again led with \$1,225,000 new business. Mr. Lustgarten says people undoubtedly have a higher regard than ever for life insurance and many are able and willing to invest in it. Associate Manager John Morrell ranked second in the company last year in personal production.

PACIFIC COAST AND MOUNTAIN

Zeus Awarded Heron Trophy

Assistant Manager of Travelers in San Francisco Given Recognition by Association

Otto L. Zeus, assistant manager of the Travelers in San Francisco, who will be remembered by all those who at-



OTTO L. ZEUS

tended the national convention in San Francisco last year for his efficient work as general chairman of arrangements for the convention, was awarded the Heron Trophy of the San Francisco Association of Life Underwriters. In presenting the trophy Karl L. Brackett, last holder of the honor, referred to the excellence of Mr. Zeus' work in connection with the national convention. The plate attached to the trophy bore the following inscription: "Otto L. Zeus, excellence of arrangements for national convention."

Miller Is Candidate for California Commissioner

W. L. Miller of Los Angeles has announced his candidacy for appointment as California insurance commissioner at expiration of the term of E. Forrest Mitchell, incumbent, on April 30. Mr. Miller has the endorsement of both the California Association of Insurance Agents and the Insurance Exchange of Los Angeles, and is an experienced insurance man, having entered the business at San Francisco several years ago with the Pacific Board. Later he was connected with the San Francisco brokerage firm of Hall & Rambo, subsequently engaging in special agency work for the Aetna Fire. He left the Aetna to become southern California manager for the Carl N. Corwin general agency of San Francisco, resigning a year or so ago to enter local agency work with the Robinson-Williams Company of Long Beach. For the past few months he has conducted a local agency in Los Angeles under his own name.

Holds Mid-year Meeting

The executive committee of the Pacific Mutual Agency Association held its mid-year meeting recently at the home office in Los Angeles. Walter G. Gastil, sales manager of the home office agency, presided as chairman of the committee. Plans were laid for the company's annual convention in Chicago in June.

Weidenborner on Coast Trip

F. F. Weidenborner, Jr., superintendent of agencies of the Guardian Life, is on a tour of Pacific Coast agencies. He was in Los Angeles Feb. 4-9, going from there to San Francisco.

Plan Agency Building School

The agency building school of the Life Insurance Sales Research Bureau will be held June 12 to 23 at Santa Barbara.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Additional Dividend Action

Columbus Mutual, Missouri State and Other Companies Announce Their Decision

Several companies have announced dividend action for 1933. The Columbus Mutual is continuing its dividend schedule in general, but there is an exception made for policies issued with disability between 1918 and 1930. The difference between the disability rates on these forms and those charged since 1930 is deducted from the dividend.

Missouri State's Reduction

The Missouri State Life announces further reductions in policyholders' dividends on 20-payment life and 20-year endowment policies. The tenth year net costs on 20-payment life on the new scale are age 25, \$27.70; age 35, \$33.31; age 45, \$43.15. On a 20-year endowment the tenth year net costs at the similar ages are \$43.43, \$45.42 and \$49.92.

The Scranton Life has reduced dividends 25 percent for 1933. The scale had been increased slightly each year since 1921 with the exception of 1930. A 50

percent increase in double indemnity rates also is announced.

The Indianapolis Life is continuing the basic dividend schedule in use since 1924. During that time the company has paid special extra dividends from time to time. In 1932 there was an extra \$1.50 payable on policies issued in 1912, but there will be no extras this year. Dividends are being declared month by month.

The Atlantic Life of Richmond, Va., will continue the 1932 dividend schedule in 1933.

The Guarantee Mutual Life of Omaha will continue its present dividend schedule for 1933.

Pacific Mutual's Dividends

Reduced Scale Applies to All Policies, Whether with or Without Disability Benefit

Dividend results under the scale reduction of the Pacific Mutual have been announced. The lower scale applies to all policies, with or without permanent total disability benefits, which carry July, 1930, and subsequent rates. The divi-

MEET



Bob MacKay

PRESIDENT

1933 Julian Price Club

In earning the presidency of his Company's highest honor club Bob MacKay's 1932 exposed business of over \$300,000 renewed 100%. . . A splendid tribute to Bob's underwriting ability and the Jefferson Standard service he sells.

A Jefferson Standard contract offers a real opportunity to men like Bob MacKay.

● For information, address:
A. R. Perkins, Agency Manager

JEFFERSON STANDARD LIFE INSURANCE COMPANY

Julian Price, President
Greensboro, North Carolina

General agencies await YOU

Are YOU ready to
enlarge your world?

We have excellent General agency openings in Nebraska, Minnesota and Iowa.

Splendid contracts—strong support—Council Bluffs, Iowa; Davenport, Iowa; Rochester, Minn.; Lincoln, Nebraska

WRITE US BEFORE MAKING A CHANGE

CEDAR RAPIDS LIFE INSURANCE COMPANY CEDAR RAPIDS, IOWA

Col. C. B. Robbins,
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dends for family income, all periods, issued with July, 1932, rates are the same as for ordinary life. Dividend illustrations for several popular forms are:

Ordinary Life					
Age	1	5	10	15	20
10.....	\$ 2.21	\$ 2.77	\$ 3.47	\$ 4.11	\$ 4.72
15.....	2.32	2.93	3.66	4.35	5.02
20.....	2.49	3.13	3.92	4.67	5.40
25.....	2.70	3.38	4.24	5.05	5.88
30.....	2.96	3.70	4.64	5.56	6.48
35.....	3.33	4.15	5.19	6.21	7.24
40.....	3.79	4.70	5.87	7.01	8.12
45.....	4.38	5.50	6.80	8.05	9.25
50.....	5.43	6.59	8.03	9.40	11.00
55.....	6.73	8.03	9.61	11.08	12.39
60.....	8.56	10.02	11.75	13.29	14.66
65.....	11.18	12.80	14.64	16.30	17.78

20-Payment Life					
Age	1	5	10	15	20
10.....	\$ 2.40	\$ 3.21	\$ 4.24	\$ 5.32	\$ 6.45
15.....	2.53	3.37	4.47	5.60	6.82
20.....	2.71	3.59	4.75	5.96	7.27
25.....	2.91	3.85	5.08	6.38	7.80
30.....	3.18	4.18	5.50	6.90	8.44
35.....	3.53	4.60	6.03	7.54	9.21
40.....	4.04	5.19	6.73	8.37	10.15
45.....	4.68	5.92	7.57	9.32	11.22
50.....	5.58	6.94	8.70	10.53	12.54
55.....	6.84	8.30	10.16	12.04	14.15
60.....	8.62	10.18	12.10	14.00	16.20
65.....	11.17	12.85	14.80	16.70	18.96

20-Year Endowment					
Age	1	5	10	15	20
10.....	\$ 3.60	\$ 5.10	\$ 7.18	\$ 9.55	\$ 12.30
15.....	3.68	5.18	7.27	9.63	12.38
20.....	3.79	5.29	7.37	9.74	12.49
25.....	3.92	5.42	7.50	9.86	12.61
30.....	4.15	5.65	7.74	10.09	12.85
35.....	4.44	5.94	8.02	10.37	13.13
40.....	4.84	6.35	8.43	10.77	13.52
45.....	5.40	6.92	9.00	11.32	14.06
50.....	6.25	7.80	9.87	12.15	14.88
55.....	7.37	8.95	11.01	13.22	15.94
60.....	8.98	10.61	12.66	14.76	17.46
65.....	11.35	13.03	15.05	17.05	19.67

Retirement Income at 65					
Age	1	5	10	15	20
10.....	\$ 2.30	\$ 2.95	\$ 3.77	\$ 4.55	\$ 5.33
15.....	2.45	3.15	4.03	4.91	5.80
20.....	2.65	3.42	4.39	5.38	6.43
25.....	2.89	3.75	4.86	6.01	7.24
30.....	3.23	4.20	5.49	6.85	8.33
35.....	3.84	4.98	6.50	8.16	9.98
40.....	4.53	5.91	7.78	9.84	12.22
45.....	5.70	7.43	9.84	12.58	16.55
50.....	7.38	9.72	13.06	17.75	.....
55.....	11.47	15.04	21.11	.....	.....
60.....	19.97	28.20	.....	.....	.....

Endowment at Age 65					
Age	1	5	10	15	20
10.....	\$ 2.27	\$ 2.89	\$ 3.65	\$ 4.38	\$ 5.10
15.....	2.39	3.06	3.89	4.70	5.51
20.....	2.58	3.30	4.22	5.13	6.06
25.....	2.81	3.61	4.63	5.66	6.76
30.....	3.14	4.03	5.21	6.42	7.71
35.....	3.70	4.73	6.10	7.55	9.11
40.....	4.33	5.56	7.21	9.00	10.98
45.....	5.40	6.92	9.00	11.32	14.06
50.....	6.90	8.91	11.74	15.09	.....
55.....	10.49	13.52	18.01	.....	.....
60.....	17.70	23.96	.....	.....	.....

Bankers Life, Nebraska

The Bankers Life of Nebraska is introducing a new 20-year term full return premium policy, which may be written in small amounts and with larger commissions.

Lutheran Brotherhood

The Lutheran Brotherhood of Minneapolis is starting to write refund and life annuities, based on an annual payment unit of \$100. It has just been licensed in West Virginia, increasing the number of states in which it operates to 26, in addition to Alberta, Manitoba and Saskatchewan in Canada.

Continental Life, St. Louis

The board of directors of the Continental Life of St. Louis has taken no action on its 1933 dividends.

Ohio State Life

The Ohio State Life announces issuance of four new retirement income bonds, to mature at age 65 and two at age 60, either on participating or non-participating basis. These are sold in units of \$10 monthly income starting at maturity. Both of the age 65 policies are guaranteed to mature for \$1,250 per unit, and the others at \$1,400 per unit. Minimum insurance protection provided is \$1,000 per unit, increasing as cash value exceeds face of policy.

Wisconsin Investment Bill

Life companies would be prohibited from investing in leaseholds, in drainage and irrigation bonds, and could not invest more than 10 percent of their assets in any one corporation under a measure offered in the Wisconsin legislature with the approval of the insurance department.

GENERAL AGENCY NEWS

Managerial School Is Held

Penn Mutual Trains 19 General Agents and Supervisors in Class Room and Street

The Penn Mutual's eighth managerial school of three weeks of study and practice has been concluded in the home office. Nineteen general agents and supervisors attended, mainly from southern and western agencies. Recruiting, training and supervising were thoroughly developed. Afternoons were spent in active practice in the business section. Members were assigned to areas in which they had no contacts; they established centers of influence, made contacts with prospective agents and secured recruits. The same method was used in the practice work of training and supervising.

The course was directed by E. Paul Huttlinger, manager of training, who with Regional Superintendents J. E. Gibbs, J. B. Webster, C. E. Spencer and C. E. Eddleblute comprise the resident faculty. President Law and Vice-presidents Kingsley, Stevenson and Davis, Assistant Vice-president Malcolm Adam, Superintendent of Agencies Wallis Boileau, Jr., and Agency Secretary J. H.

Jefferies took active part in the course, together with other officials whose work touches the field.

Penn Mutual general agents highly reputed for managerial ability were visiting speakers—among them J. Elliott Hall, R. G. Engelsman and Ben Hyde, New York City; H. J. Johnson, Pittsburgh; E. R. Eckenrode, Harrisburg; H. C. Ard, Yonkers, N. Y., and Manuel Camps, Jr., Boston. Contributions of general agents were supplemented by those of visiting supervisors from several agencies.

G. D. Davis was elected president of the 1933 class. The course closed with a dinner, at which Vice-presidents Stevenson and Davis were speakers. Skits were provided by the class members, the material being hilarious mimicry of faculty individuals.

G. Franklin Ream to Speak

G. Franklin Ream, field service manager Mutual Benefit Life, will attend the annual meeting of the agency at Sioux City, Ia., this week. He will be the principal speaker at a dinner Friday evening. Saturday Mr. Ream will address the luncheon meeting of the Sioux City Life Underwriters Association.

NEWS OF LIFE ASSOCIATIONS

Cummings, Hastie to Speak

Minnesota Mutual Vice-president and Chicago Associate Manager on Canadian Tour

TORONTO, Feb. 15.—The Life Underwriters Association of Canada has arranged for a series of congresses in western Canada as follows: Winnipeg, Feb. 20; Regina, Feb. 21; Saskatoon, Feb. 21-22; Edmonton, Feb. 22-23; Calgary, Feb. 23-24; Vancouver, Feb. 27-28. Programs will include such topics as "Reorganizing Ourselves," "Prospecting," "The Approach," "Selling and Closing," "Standardized Sales Talks," "Your Working Schedule," and "Our Future."

John R. Hastie, associate manager at Chicago for the Mutual Life of New York, and Harold J. Cummings, vice-president and superintendent of agencies, Minnesota Mutual, St. Paul, have been secured as leading speakers. Mr. Hastie is to take the entire program for the congresses at Winnipeg and Regina, and while he is at Regina Mr. Cummings will be taking the first day at Saskatoon. From then on Mr. Cummings will take the first day at each center, and Mr. Hastie the second day.

Eastern congresses will be held about the end of April. The Toronto branch of the association, however, has arranged for a one-day meeting Feb. 23, of a purely sales nature.

Cleveland—Over 1,000 are expected at the northeast Ohio sales congress in Cleveland, March 18. Speakers are: John Boardman, special agent Massachusetts Mutual, Columbus, O.; W. L. Boyce, agency manager Equitable of New York, Syracuse, "1933 Road to Success"; A. E. N. Gray, assistant secretary Prudential, "The Lesson They Left Out"; R. B. Hull, managing director National association, "Getting Back onto Main Street"; A. E. Patterson, general agent Penn Mutual, Chicago, "Keeping Going."

Omaha—J. S. Maryman, Aetna Life, Little Rock, Ark., spoke Feb. 16 on "How to Sell Life Insurance." He has produced \$1,000,000 annually for the past 20 years.

The association will spend about \$6,000 this year in cooperative advertising. A contract has been made with one of the daily newspapers for 90 inches every alternate Monday.

Waddell Gives Sales Hints

Summarizes Methods of 50 Leading Producers in Address to Detroit Association

DETROIT, Feb. 16.—R. N. Waddell, Pittsburgh manager Fidelity Mutual Life, told the Life Underwriters Association of Detroit at the February meeting that from 1926 to 1929 agents were competing for money that would otherwise be spent for luxuries, but this year they are competing for money reserved for necessities. Due to the decrease in the size of the average policy the underwriter must sell more policies to make the same money—he must work harder, see more people; 90 percent of his time should be spent in training for selling and actually selling.

Summarizes Leaders' Methods

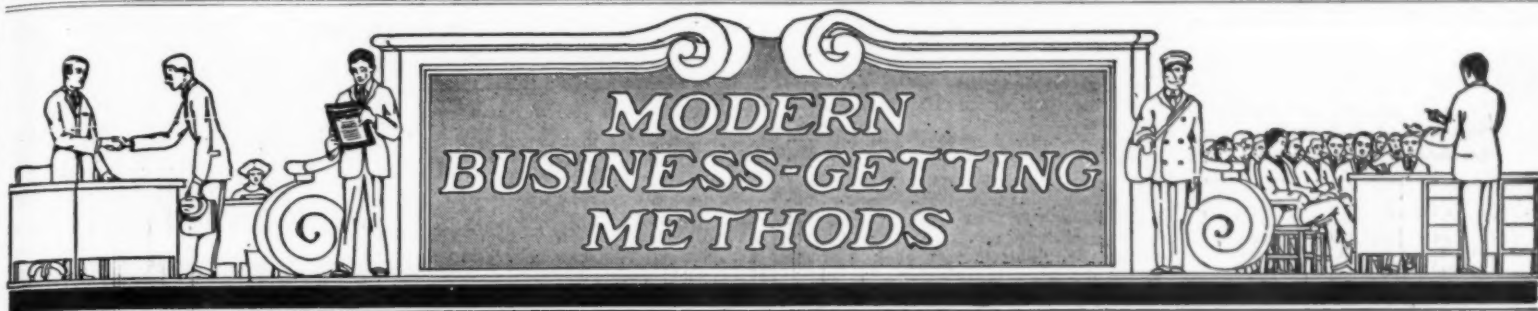
He gave a resume of the selling methods of the 50 leading underwriters in the country. All agree on the fundamentals, he said. These are: Get your prospect's attention; get his interest; get his confidence; get the necessary information; recognize the state of the prospect's mind; realize that he is feeling low mentally and that nine out of 10 have been obliged to borrow money; that virtually all estates have shrunk from 60 to 100 percent, that too many life agents are probably calling on him.

"You should know just what you are going to say when you meet your prospect," he said. "Go after him in a businesslike manner. Don't just chat with him and then try to switch to a serious matter like an insurance proposal. Call him by 'phone for an appointment and limit your time to a few minutes."

He cited the type of approach in which he lays down in front of the prospect a chart showing the curve of business upward from 1922 to 1929, then sharply downward to 1933, up to 1939, then asks: "Have you ever stopped to consider whether you will come back with the country, Mr. Jones?"

The chart gets attention, the question gets interest, and the following sales talk gets confidence. The more the prospect talks about how hard he has been hit, the better Mr. Waddell likes it. That gives him an opportunity to prove that

(CONTINUED ON LAST PAGE)



Protection vs. Investment Is Viewed by Canadian Official

Of late there has been some comment among life insurance leaders that the investment side of life insurance is being overemphasized at the expense of the fundamental service which it gives—namely, protection against death. H. B. Berwick, supervisor of field service of the Manufacturers Life of Toronto, sets forth a clear exposition of his well digested and rational views on this important subject. His subject is, "Why Do They Buy Life Insurance?"

By H. B. BERWICK

"But I have to die to win." Some years ago underwriters were continually confronted with this objection. In consequence much emphasis was laid on the benefits of life insurance to the insured. This ultimately led to the rather widespread presentation of life insurance as an investment. Life insurance was discovered to be a much more excellent investment than even life underwriters themselves had realized.

In 1927, M. A. Linton, then vice-president (now president) of the Actuarial Society of America, first made known the results of his exhaustive analysis on the merits of life insurance as an investment. While others had bordered on the thoughts he gave at that time, he was the first to make a mathematical analysis of the "yield" features of life insurance, and to apply actuarial science to the subdivision of the two main elements which constitute the life insurance premium.

Address Before Underwriters Caused Widespread Comment.

His address before the National Association of Life Underwriters caused comment far and wide among the life insurance fraternity in North America. His analysis was welcomed as concrete proof of something that others had always thought to be so, namely, that life insurance is an investment on any basis of comparison, mathematical or otherwise.

For several years we have heard a

great deal about the investment merits of what we are selling. Many life insurance men with an analytical frame of mind have now come to the conclusion that this angle has been unduly emphasized. Others feel that this is not the case. Some state that the fundamental reason for the existence of more than 100 billion dollars of life insurance is its protective feature—its provision for dependents. Others have voiced the opinion that we are selling on a much more business-like basis when we cite its merits as an investment.

There is a great tendency for one to assume that because a certain method has been successful for him it is a decided mistake for his associates to adopt any other method. Certain it is that there is a very definite place for both the angles here mentioned. It is equally true that sales will be made by the stressing of either angle. Which to use depends greatly on existing conditions and the type of prospects whom one is soliciting. Investment or protection! In certain cases the former should be stressed, while in others there is an obvious need for the latter.

Lawyer Notes Danger in Overemphasizing Investment Side

Samuel Davis, a lawyer for one of the major United States companies, sees a danger in a too decided emphasis of the "property" or "investment" feature of life insurance. He states, "Let us impress upon the public that it is the only instrumentality whereby the incidence of loss can be spread so widely as to avoid crushing disaster to the individual, and that the method of attaining these results is exclusively peculiar to the institution of life insurance."

There is undoubtedly some sound logic in Mr. Davis' contention. From a protection standpoint life insurance stands alone. There is nothing in the world of finance which is even remotely comparable. The immediate ownership of an estate on the depositing of the first premium! For the facts are that every form of partial payment (except life insurance) is a matter of going into debt

—you obligate yourself to pay month by month an unpaid balance. But when you buy life insurance you do not owe —you own. You buy the estate with the first premium, you merely maintain it with the succeeding premiums. The policyholder owns all of the estate from the very moment he makes his first deposit. "Would you rather owe for a bond than own an estate?" Our representative will probably agree that this constitutes a rather strong argument for life insurance as protection.

Investment Appeal Has Many Real Advantages

On the other hand there is much to be said for the investment appeal, and many authorities on life insurance sales methods have advanced excellent reasons as to why it should be used. One of the outstanding of these is Dr. S. S. Huebner of the University of Pennsylvania, who has contributed much to the life insurance thought of the past decade.

Dr. Huebner says: "During a period of business convulsion, like the one of the past three years, when at least one-half of all estates have shrunk by at least one-half in their valuation, it is only natural for the mind to turn towards conservative and sound investment channels. Life insurance offers to all—to poor and rich alike—an absolutely sound and reasonably profitable investment program, so designed as to offer the service of systematic accumulation on the instalment plan, extending over a considerable period of years, and if desired over the whole of the working period of life. There never was a time during the past forty years when life insurance offered a finer opportunity for convenient thrift and sound investment."

Differences in Prospects' Needs Basis of Argument

While the importance of the element of protection is entitled to, and has been given, widespread recognition, there also are many good reasons why thought and consideration should be given to the investment features of life insurance.

Heated conversational battles have been waged over the best method of presenting the subject. Advocates of one method have been blind to the merits of the other. In many cases neither party has taken into consideration the

entirely different circumstances and needs surrounding the prospects of his verbal antagonist. To mention investment to the salaried employee whose income has recently been cut and who is experiencing difficulty in maintaining his standard of living is cited by one as folly indeed. The other points out the surprisingly substantial gain in the sale of annuities and cites this as an indication that there is money and that the investment presentation is the one to use.

Both are right, and both are wrong. There are many thousands of people who are most interested in a safe depository for their surplus funds—many thousands who have been woefully disappointed with their former investments. In like measure, there are a very great number of people who are short of funds, but who are vitally interested in providing for their dependents.

The following is a conversation which might easily have taken place between two members of our field organization. The names, of course, are fictitious.

Presents Dialogue Between Two Agents on Subject

Barton: "This life insurance business changes just like the seasons. Not so long ago when we tried to sell protection we met the argument, 'You've got to die to win.' To overcome that, we proved that life insurance was the one and only investment for the average man. Now, many people are saying that we should adopt the 'hearse' method—"

Gray: "Just a minute! Life insurance is a necessity, isn't it?"

Barton: "Yes."

Gray: "Well; if we are going to sell business today, we've got to get back to fundamentals. The life insurance premium notice is in amongst the bills for rents and groceries—it isn't a luxury that one can do without. It's just as important as a roof overhead because it is the only thing that guarantees that there will be a roof tomorrow."

Barton (interrupting): "Don't get started on your sales talk! Remember, there are thousands of people in search of a safe investment. The agent who shows them that life insurance is the best one there is, will reap a harvest. Why look at the annuities—"

Gray: "Yes, I know—but once you get into the investment field you are in com-

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Lawrence M. Cathles, President

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In this book a busy sales executive reveals his secrets of success in selling — his tactics — his strategies covering a period of twenty years experience.

"Low-Pressure Selling" is among the 15 books recommended recently by Mr. Jaqua of the Diamond Life Bulletins, as being a book that "every life man should know and digest."

"I have gotten more real good out of 'Low-Pressure Selling' than any book or publication I ever read. It has helped my men go out and produce some real business."

—D. J. Roberts, Field Supervisor, Great Western Ins. Co., Des Moines, Ia.

"I consider Low-Pressure Selling a masterpiece on salesmanship. During my 16 years selling life insurance I have read many books but this outclasses them all. In putting these new ideas to work I called on a prospect I had been after unsuccessfully for five years and sold him a \$6,000.00 policy."

—Logan Perry, Insurance, Bloomington, Ill.

"Low-Pressure Selling is an unusual book and most interesting and helpful. I am fascinated with it. Enclosed find check for 24 copies."

—Edwin R. Jeter, Asst. Manager, Equitable Life Assurance Soc., Rock Hill, N. C.

"The Low-Pressure Selling ideas of Mr. Worsham are certainly new and are not only an unusual slant on selling but most effective in practice."

—E. E. Hughes, National Life Ins. Co., Indianapolis, Ind.

"I thought you would be interested in knowing that we have supplied all of our general agents with copies of 'Low-Pressure Selling.' I have recommended it to my friends."

—L. J. Evans, Asst. Secy., Register Life Ins. Co., Davenport, Ia.

"Low-Pressure Selling is one of the most interesting and fascinating books on selling I have ever read. I shall recommend this unusual book to all of our men."

—Fred S. Brynn, Agency Supervisor, National Life Ins. Co., Montpelier, Vt.

"I have spent 30 years in handling and instructing salesmen. I have read volumes and I want to say to you that Mr. Worsham handles this subject in a new way. It gave me a new conception of selling."

—J. J. Thomassen, General Agent, Bloomington, Ill.

"It is a pleasure to congratulate you on this book. We find it fascinating and interesting. It embraces many new and valuable suggestions for us."

—H. P. Brandon, Manager Service Dept., Columbus Mutual Life Ins. Co., Columbus, O.

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petition with a half dozen other good conservative ways of saving cash. Now, if one's argument is based on protection purely and simply, life insurance is the only way that it can be provided in most cases."

Barton: "That's all very well, but you don't seem to understand that you are selling to human beings. Protection is a necessity—a moral obligation—and nobody likes that, but if it can be sold by appealing to a man's desire to accumulate for himself you have a much stronger argument. 'Backing the hearse up to the door' may have been all right yesterday, but not today."

Gray: "That's very fine in theory, but let's face the facts. Isn't the fear of tomorrow the impelling motive for a lot of things we do? For example, I have no money to invest, so anyone trying to sell me an investment—life insurance or any other—might just as well save his breath. But if he paints a picture of Mary and the twins unprovided for after my death, he is hitting me where I live! He is telling a story I can't resist unless I am prepared to admit that I don't care whether my family is provided for or not."

Protection Has to Be Sold Sugar-Coated

Barton: "Undoubtedly true—you have the kind of mind that dwells on that sort of stuff, but the intelligent man of today has to be sold his protection sugar-coated as retirement income. Isn't it better to sell a man life insurance as an old-age bond instead of pushing it down his throat as a moral obligation?"

Gray: "You know just as well as I do the great bulk of the billions of life insurance in force exists because of the love, affection, sentiment—whatever you want to call it—of millions of policyholders for their dependents. Why, the very origin of our business proves that protection for dependents is the basic reason for life insurance!"

Barton: "That's the sob stuff! I believe in going where the money is and as long as I can find the seeking investor, I am going to cultivate him, knowing I'll get more business that way than I could any other."

The Old Timer (who has been listening in): "One would think that you two had different colored glasses on and were giving evidence on the color of a white flower. Life insurance is like the elephant that the blind men examined. To one it seemed like a wall, to another like a rope, but neither of them had a complete picture. The life underwriter should stand far enough back to view the whole picture, then sell his prospect what he needs. Is it protection? Here is the only way! Is it investment? Here is the best he can buy!"

Ways and Means for Presentation Innumerable

Life insurance is so wide in its ramifications and touches so many different phases in the life of the individual and of his dependents that there is no need for us to become insular in our views regarding it. Ways and means of forcefully presenting the need for life insurance are innumerable. Some are based largely on its productive feature while others emphasize its investment element.

We do not believe anyone, no matter how ardent an advocate of life insurance as protection, nor how zealous an enthusiast regarding its merits as an investment, will have any quarrel with this suggestion—which is that you study both phases; analyze their respective merits; discover the good in each and apply the points which are best adapted to the particular individual.

Robertson Bill in Missouri

A bill has been introduced in the Missouri legislature to require life companies to invest 75 percent of the legal reserve on life policies, endowments and annuity contracts in specified Missouri securities. The bill is apparently similar in scope to the Robertson law of Texas.

ASSOCIATIONS

(CONTINUED FROM PAGE 18)

he can guarantee that Mr. Jones' family will "come back" whether Jones lives or dies.

He says the average underwriter quits just when he should start to fight—when the prospect begins to offer objections. Mr. Waddell has an answer on the tip of his tongue for all probable objections, answers them promptly and continues, but he never under any circumstance repeats his sales points. He keeps the prospect on the defensive and wears him down.

Sales Congress in Toronto

Talks by American and Canadian Underwriters, Sales Demonstrations, Are on Program

A. R. Piper, supervisor ordinary department London Life in Peterboro, will be the chief speaker at the luncheon of the Life Underwriters Association of Toronto held during the sales congress Feb. 23. Mr. Piper was a member of the Regina association from 1913 to 1929 and president in 1923.

H. H. Wilson, associate manager Equitable of New York, New York City, will deliver three addresses on effective selling methods under modern conditions. There will be a practical sales demonstration on the retirement income canvass by A. E. Wall and F. C. Gerred, both C. L. U. men. Following the luncheon, G. F. Davies, Life Insurance Sales Research Bureau, Hartford, will discuss agency production problems, bringing to bear his Canadian experience as agent at Winnipeg and later field instructor in a Canadian home office. A sales planning session will be directed by A. D. Anderson, C. L. U., chairman of the board of the Life Underwriters Association of Canada, ten minutes being permitted each of six speakers, three being C. L. U. men. Mr. Wilson again will speak in the afternoon. F. M. Hannan, C. L. U., is honorary president and Ryrie Smith, C. L. U., president of the association.

Iowa Commissioner Speaks Before Sioux City Groups

SIoux CITY, IA., Feb. 16.—Commissioner E. W. Clark was the honor guest here at a joint luncheon meeting of the Sioux City Association of Life Underwriters and the Sioux City Fire & Casualty Underwriters, with 100 attending. C. R. Garrett, general agent Northwestern Mutual Life and president of the life underwriters, presided. Following an outline of the functions of his department, Commissioner Clark answered numerous questions asked by agents present.

The commissioner fears the economy program of the legislature will seriously affect the efficiency of his department, through the loss of some of his most valuable assistants. He feels there should be an adjustment of salaries in all departments before the threatened 20 percent slash in all salaries is made. The department collected \$1,800,000 in taxes and fees the past year and operated on less than \$48,000, or 2.7 percent of the collections. The best any other state department did was to operate on 16 percent of collections.

Agents were particularly interested in the department's determination to hit twisting wherever that obnoxious practice shows its head, and in the operations of the complaint department, which has an average of 100 problems a month to iron out. The commissioner spoke in strong condemnation of the rapid springing up in the state of so-called "protective associations," where groups are offering service akin to life insurance on an assessment plan. Fla-

grant cases of persons insured in regular life companies being induced to cash in their policies and join the protective societies were mentioned by the commissioner. He believes these societies come under the head of insurance and should be amenable to the Iowa insurance laws, but he is being defied by the promoters. He has a bill before the legislature which, if passed, will bring them to strict accountability.

New York City—L. A. Cerf, Jr., general agent Fidelity Mutual, was elected secretary-treasurer of the New York City association to succeed J. P. Graham, Jr., general agent Aetna Life, who was transferred by his company to Springfield, Mass. Mr. Graham's place as director was filled by Russell Simons, general agent Home Life of New York. J. E. Bragg, general agent Guardian Life, made a preliminary announcement of plans for the sales congress and annual banquet, to be held March 9 at the Hotel Astor.

Boston—At the monthly meeting of the Boston association, Chester Murphy of the Metropolitan, who has been 12 years in the business, wrote last month 114 paid applications for ordinary life insurance and is now going at the rate of five a day, told something of his methods. W. L. Wadsworth, New England Mutual, had as his subject "Why I Like My Job." J. P. Stryker, Phoenix Mutual, who has written an application a week since September, 1929, spoke on "Using the Depression as a Means for Getting Business." E. B. Wicks, Equitable Life of New York, spoke on "Increasing Production Through the Sale of Annuities."

Milwaukee—M. J. Cleary, president Northwestern Mutual Life, spoke on "Stability of Life Insurance" at the monthly meeting Feb. 16.

Richmond, Va.—Home office officials of the Atlantic Life entertained members of the Richmond association at their February meeting with the presentation of a play entitled "What Price Policy Loans?" The association now has 112 paid members.

Wandling Head of New St. Joseph Association



LEE WANDLING

Life underwriters of St. Joseph, Mo. have organized a life underwriters' association with Lee Wandling, district manager Equitable of New York, as president; A. J. McNally, Mutual Life of Baltimore, vice-president, and Sam Utz, Mutual Life of New York, secretary-treasurer.

St. Joseph has not had a local association for some time. The new association, with 12 charter members, is affiliated with the National association. It was organized with the assistance of V. W. Wiedemann, Sun Life of Canada at Kansas City, who is a member of the Kansas City committee working toward a state association.